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THE MIDDLE EAST, 1981

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Current History

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In this issue, eight articles evaluate the changing relationships among the states of the troubled Middle East and the attitudes of the superpowers. Our introductory article notes that "the thesis often propounded in the West that the Soviet leaders are interested only in fomenting disorder as the means of extending their power is not necessarily valid. They are not enamored of situations they cannot control, and it is not enough, as Afghanistan showed just to have a Babrak Karmal ready."

Soviet Policy in the Middle East

BY JOHN C. CAMPBELL

Former Director of Studies, Council on Foreign Relations

THE Soviet invasion of Afghanistan in the waning days of 1979 put a whole new face on the problems of the Middle East. That was the American assessment. In his state of the union message for 1980, President Jimmy Carter warned the Russians that any move beyond Afghanistan would be at the risk of war.¹

These events—the Soviet takeover of Afghanistan and the sharp American reaction—buried much of what was left of détente. The Soviet military buildup, the long delay in the conclusion of the second Strategic Arms Limitation Treaty (SALT II), the American rapprochement with China, and the controversies over trade and human rights all contributed to the tension; and the sending of Soviet armed forces outside the Warsaw Pact area and into a nonaligned country was seen in Washington as a violation of understandings that underwrote the global balance. Judging from the overwhelming vote of condemnation by the United Nations General Assembly, most other nations regarded the Soviet action as a clear violation of the charter.

The aims and strategy of the Soviet Union and the interplay of Soviet and American policies must be assessed against the background of Middle East events that were spinning out of the control of both powers. In the mid-1970's, Soviet fortunes in the Middle East appeared to be at a low ebb. United States Secretary of State Henry Kissinger and Egypt's President Anwar Sadat had brought about a diplomatic revolution that shifted Egypt from the Soviet to the American camp. The peace process

between Israel and its Arab neighbors was being guided by Washington, not by Moscow, even though the two powers reached an agreement on the principles and procedures of an Arab-Israeli settlement in October, 1977. In the key area of the Persian Gulf, despite the shocks on oil prices administered by the Organization of Petroleum Exporting Countries (OPEC), the United States was strengthening its ties with the leading local states, Iran and Saudi Arabia, selling them huge quantities of arms and regarding them as the "pillars of security" in the region. The Soviet Union seemed effectively excluded.

Several events in 1978 changed the picture. In April, a coup in Afghanistan brought a pro-Soviet regime led by local Communists to power; whether the Soviet Union had a hand in the coup is not clear, but in any case Soviet leaders immediately moved to support the new regime and later in the year signed a security treaty with Afghanistan.² At the same time, the Soviet Union was providing massive military aid to the government of Haile Mengistu Mariam in Ethiopia; in a repetition of the pattern in Angola, the combination of Soviet advice and equipment and Cuban troops allowed a local regime to consolidate its power at home and successfully repulse foreign enemies (in this case the Somalis); by November, Soviet-Ethiopian political and military cooperation had been formalized in treaties.

In July, 1978, a political shift in the People's Democratic Republic of Yemen (PDRY) put pro-Soviet elements there in a position of uncontested power and, on the occasion of a visit by Soviet Premier Aleksei Kosygin to Aden the following year, the PDRY was added to the list of states bound to Moscow by formal security treaties.³ There were

¹*The New York Times*, January 24, 1980.

²*Izvestia*, December 7, 1978.

³*Pravda*, September 17, 1979.

striking similarities. Each of the three new governments—in Kabul, Addis Ababa and Aden—professed to follow the principles of marxism-leninism, looking to the Soviet Union for ideological as well as material support.

To many observers, especially those who believed that the Western response was weak and inadequate, these Soviet successes bore witness to a forward strategy aimed ultimately at control of the Middle East and its oil resources. Others, less alarmed, saw the Soviet Union moving into situations where opportunities beckoned, where aid at a critical juncture for an embattled government or a political party could cement an alliance or gain a client; these successes were scored, after all, in countries on the periphery, not in the heartland of the Middle East.

From the Soviet government's own explanations of its policies it was impossible to tell much about the practical aims. Those whom Moscow chose to aid—Mengistu in Ethiopia, Abd al-Fattah Ismail in the PDRY, and Noor Mohammad Taraki in Afghanistan (or, for that matter, the leaders of Iraq, Syria, Libya or the Palestine Liberation Organization, PLO, who made no professions of marxism-leninism)—were described in the Soviet press as people struggling against the American imperialists and their local lackeys, a struggle in which the "socialist world" and the "progressive forces of the third world" were natural allies. Ideology is not without its importance for Soviet policy in the long term, but practical foreign policy decisions emerge from a balancing of interests and priorities, of domestic and international factors, of institutional pressures and personal differences. It is probably misleading to discuss whether Soviet policy in the Middle East is motivated by a grand strategy or by opportunism. If the former, the strategy is flexible enough to avoid a timetable and to accept setbacks along the way, hoping to reverse them; if the latter, opportunities can be created as well as stumbled upon. The key question was whether the successes won on the periphery of the Middle East could be extended to the center. In the following two years, in 1979 and 1980, the tests came in Iran and in Afghanistan, and they were not conclusive.

THE USSR AND THE NEW IRAN

For reasons of strategic geography, Iran has always held a special place in Soviet foreign policy and in Tsarist policy before it,⁴ evident in extreme sensitivity about the presence or activity of rival great powers in Iran and in the Soviet claim of a right to intervene if such activity should endanger Soviet security. Soviet

leaders still insist on the validity of the treaty of 1921 permitting such intervention, although both Iran's Shah and Ayatollah Ruhollah Khomeini have declared that treaty void. In the late years of the Shah Riza Pahlevi's reign, Soviet leaders worried about his acquisition of modern American military equipment and his determination to act beyond Iran's frontiers as the policeman of the Gulf. But their propaganda did not attack him openly until his fall became a strong probability. No evidence is at hand to prove the involvement of Soviet leaders in the revolution, but they were certainly doing their best to evaluate the forces in contention and how Soviet influence might be used. Unfortunately for them, their main instrument, the Tudeh party, decimated by the Shah's repressive measures and lacking popular following, was a very weak reed.

After the Shah's departure early in 1979 Soviet leaders had difficulty defining their attitude toward Iran. Khomeini and his militant clerical supporters were powerful; but secular and leftist elements represented potential independent power centers, and non-Iranian minorities (Kurds, Turkomans, Baluchis, Arabs and others) were asserting their own demands. Because the Iranian military had lost many of its officers and much of its discipline as a result of the revolution and its aftermath, power gravitated to other groups, which had their own supplies of arms.

Soviet policy was cautious. The main Soviet objective was to take advantage of Iran's new position as a declared enemy of the United States. The United States loss—in military facilities, listening posts, and connections, in political and economic cooperation, in Iran's role as pillar of security in the Gulf—was automatically a Soviet gain, even though the Soviet Union did not replace the United States. When the Shah's throne was tottering, Leonid Brezhnev had warned the United States that the Soviet Union would not tolerate armed American intervention in Iran.⁵ The United States warned the Soviet Union against any intervention of its own. The effect of the standoff was to leave in Iranian hands the international orientation of the new revolutionary regime. Soviet propaganda subsequently did all it could to encourage hatred of the "great Satan," the United States, which had for so long supported the Shah.

Although Khomeini and militant Islam were hardly natural allies of the Soviet Union, Soviet statements treated them with a cautious respect.⁶ As the clerical forces in the new Islamic Republican party gained strength, however, and as some leftist organizations, including the Tudeh, were the object of attacks and repression, the Kremlin found it more difficult to maintain its composure. But it did not go beyond reporting in the Soviet press the protests of the Tudeh leaders and voicing some pointed, but unofficial, public criticism.⁷

⁴R.K. Ramazani, *Iran's Foreign Policy, 1941-1973* (Charlottesville: University of Virginia Press, 1975).

⁵*Pravda*, November 19, 1978.

⁶See for example *Pravda*, January 7, 21, 1979.

⁷See Aleksander Bovin, "With Koran and Saber," *Nedelia*, September 3-9, 1979.

Clearly, the Soviet leaders were not looking for a quarrel with the Ayatollah. Whatever the incompatibility between Soviet communism and Shi'a fundamentalism, the Kremlin had no practical reason to alienate the strongest forces in Iran and therefore chose to concentrate on anti-Americanism. After the American hostages were seized in Teheran in November, 1979, Soviet pronouncements were understanding of the Iranian position. Although the Soviet government did not condone the violation of international law, it pointedly vetoed a United Nations resolution calling for sanctions against Iran.

FORWARD INTO AFGHANISTAN

Resurgent Islam was a problem for the Soviet Union not only in relations with Iran but on a wider scale. Throughout the Middle East, Muslim hostility to "godless communism" and to the superpower that supported it had often been obscured by national struggles against the West and against Zionism, in which Muslims and Marxists could find common cause. Secular nationalist movements like those of the Ba'th parties in Syria and Iraq could establish close ties with Moscow and include Communists in their governments, although sharply limiting their power. In states where Islam was woven into the fabric of government and society, however, like Saudi Arabia, communism was condemned in the same breath as Zionism, and diplomatic relations with the USSR were taboo. The return to Islam that Khomeini and his followers were preaching in Iran was a product of that country's own Shi'a traditions and was sometimes at odds with trends in the Sunni Islam dominant in most Arab countries. Yet the religious strain in the Iranian revolution, with its appeal to the past and its repudiation of the West, of superficial modernization and of materialist marxism struck responsive chords all through the Middle East. This was evident in Afghanistan, where the Soviet Union had to take it most seriously.

Moscow's client regime, established by coup in April, 1978, was in deep trouble; ill-considered reforms had alienated powerful elements in the largely tribal population and had violated their religious and social traditions. Despite heavy political and material support from the Soviet Union, the local leadership was torn by internal struggles and was soon faced with a popular rebellion it could not suppress. The Soviet Union was committed to the regime, but was not yet sufficiently in control of its actions to ensure its success. Could Soviet leaders allow a self-proclaimed Marxist-Leninist regime, situated in a country on the border of the Soviet Union and bound to it by a formal

security treaty, to be overthrown by its own people.

In December, 1979, the Soviet government gave a negative answer. It intervened with overwhelming force, set up a quisling government under Babrak Karmal, and set out to crush local resistance. The decision to invade could not have been easily taken, although we have no evidence that it was opposed by any members of the Politburo. Brezhnev knew it would damage his policy of détente with the West, but little was left of détente with the United States and useful relations with West Europe would presumably survive. In a sense, the decision was determined by earlier decisions to establish and support a client regime in Kabul, to give Afghanistan the status of a satellite, part of Moscow's socialist commonwealth, and to commit Soviet prestige to the maintenance of that status.

In assessing the Soviet move into Afghanistan it is clear that the Soviet leadership, despite its great and growing military power, was especially sensitive about the Middle East. In this area, vital to Soviet security, there had been disturbing developments, including American attempts to maintain and add to its military positions (compensating for losses in Iran with gains elsewhere) and Chinese efforts to draw Pakistan and other states into an anti-Soviet alignment.⁸ The rapprochement between the United States and China could be dangerous to Soviet interests. The shrill Soviet accusations that the United States, China, Britain, Iran, Egypt and others were supporting reaction and plotting against the Soviet Union in Afghanistan were mainly a smokescreen for Soviet actions. But they reflected real anxiety about the Islamic world's encouragement of the Afghan rebels and about a global balance in which the Soviet Union might stand alone against the United States, West Europe, China and Japan.

Whether the Soviet action in Afghanistan is regarded as defensive or offensive, Moscow felt it could not afford to be challenged in Afghanistan. Since it was unlikely that any rival power would use force to contest Soviet control, the risks of military action were acceptable.

It may be assumed that Soviet leaders will not negotiate the withdrawal of their forces and the neutralization of Afghanistan. Brezhnev set the terms for withdrawal when he said it could begin "when all forms of outside interference directed against the government and people of Afghanistan completely ceases";⁹ in other words, when Soviet forces have stifled all local resistance and can count on their local surrogates to keep order. Their military presence may continue indefinitely, for it enhances the Soviet ability to put both military and political pressure on other states of the region, like Iran, Pakistan and India. It need not be assumed, however, that Soviet leaders have any present or future intention to invade or to

⁸Helène Carrère d'Encausse, "Les soviétiques en Afghanistan: un nouveau Cuba?" *Politique Internationale*, winter, 1979/80, pp. 21-38.

⁹*Pravda* and *Izvestia*, February 23, 1980.

impose their will on those nations. Probably they do not. In any event, they will weigh both the local and the international factors and will calculate the risks of military conflict with the United States. Although the United States does not possess sufficient conventional forces to check a Soviet move across the borders of Iran or Pakistan, the risk of conflict, possibly a wider conflict, does exist.

IRAN AND IRAQ

While Soviet efforts to subdue the Afghans intensified in 1980, Soviet policy toward other states of the Middle East was marked by relative caution. This was evident from the Soviet attitude toward the turmoil in the Gulf region (particularly the lurching course of revolution in Iran and the war between Iran and Iraq) and toward the twists and turns in the Arab world as the Arab states tried to define their interests in relation to Israel, to the West, and to each other.

In spite of Soviet circumspection, Soviet relations with Iran were anything but friendly and cooperative, because the leaders of the new Islamic republic did not want to be cooperative. While concentrating their abuse on America, Iran's leaders reserved some abuse for the "lesser Satan," the Soviet Union, which they suspected of encouraging Marxist elements in Iran. Nonetheless, declarations of friendship and solidarity and of injured innocence flowed easily from Moscow.¹⁰ But these declarations did not evoke reciprocal sentiments on the part of Iranian officials; in 1980 the Iranian government refused to lower the price of the natural gas it sold the Russians, expelled a Soviet diplomat as a spy, and demanded an end to Soviet support of the Tudeh party.

Moscow's dilemmas were sharpened by the war between Iraq and Iran. Iraq, armed largely with Soviet weapons and linked to the Soviet Union by a security treaty, had been developing for some years an independent policy based on oil wealth and an ambition to play a larger role in the Gulf and in the Arab world.¹¹ In attacking Iran at a time of the latter's weakness, President Saddam Hussein was serving his own and not Soviet interests. The Kremlin could not support him without spoiling its hopes for better relations with Iran, nor could it oppose him without weakening what remained of the Soviet position in Iraq and losing influence in other Arab countries. Consequently, the Soviet government stayed neutral. Small quantities of Soviet military equipment reportedly continued to go to Iraq; at the same time some Soviet matériel reached Iran, mostly by roundabout routes and through third parties.¹²

¹⁰See *Pravda*, February 19, 1980, August 27, 1980.

¹¹Claudia Wright, "Iraq—New Power in the Middle East," *Foreign Affairs*, winter, 1979/80, pp. 257-277.

¹²*The Boston Globe*, November 5, 1980; *The Wall Street Journal*, November 7, 1980.

Predictably, the Soviet press blamed the United States for instigating the war, a thesis echoed in Teheran and Baghdad, each of which accused the other of being a tool of Washington. In fact, neither superpower knew quite what to do about this conflict, which illustrated a reality of the Middle East: the outside powers are very much involved, but the region is not subject to their control and they cannot easily see the consequences of their own actions.

THE ARABS AND ISRAEL: NO EXIT

The same tactic of watchful waiting has marked Soviet policy in the Arab-Israeli dispute, presenting the Soviet Union as the friend, patron and supporter of the Arabs in their struggle against Israel and its American protector. But Anwar Sadat, for one, had reached the conclusion that rapprochement with the United States and negotiation with Israel, not alliance with the Soviet Union, were the only road to peace and to the recovery of occupied territories. He acted on that conclusion, but his failure to associate other Arab states with his strategy and with the "framework for peace in the Middle East" laid out at Camp David in 1978 left him virtually isolated in the Arab world.

The Kremlin, not without reason, regarded the Camp David enterprise as a conspiracy on the part of the United States, Israel and Egypt to exclude the Soviet Union from the Arab-Israeli settlement and, indeed, from the Middle East. From the moment the Camp David accords were announced they were roundly condemned by the Soviet government as a betrayal of the Arab cause, of Arab unity, and more particularly, of the Palestinians. After Camp David, there was a possibility that all the Arab states save Egypt, which had chosen to rely exclusively on the American connection, would gravitate to the other superpower.

It was an enticing prospect, but scarcely one in which Soviet success would be automatic. In the first place, the Soviet Union was better known in the Arab world in the late 1970's, and the image of friend and ally fostered by Moscow was blurred by the knowledge of conflicting Soviet and Arab interests and by the experience of Soviet and Communist activities in individual Arab states. Nor did common hatred of Israel eliminate the crosscurrents and rivalries of inter-Arab politics or differences in attitude toward the United States and toward the Soviet Union. That these underlying factors limited what Soviet

(Continued on page 42)

John C. Campbell, former director of studies at the Council on Foreign Relations, has written (with Helen Caruso) *The West and the Middle East* (New York: Council on Foreign Relations, 1972), and many articles dealing with the policies of the Soviet Union and the United States in that region.

Tracing the history of the revolution in Iran, Richard Cottam warns that "uncrystalized situations in which great power interest is intense and available options are numerous can lead to rapid alignment changes."

Revolutionary Iran and the War with Iraq

BY RICHARD W. COTTAM

Professor of Political Science, University of Pittsburgh

THE first year and a half of the revolution in Iran was marked by a steady erosion of secular, nationalist and liberal influences. It is at least conceivable that the secular/religious polarization that developed could have been avoided or muted. But the secular/religious revolutionary alliance, almost a century old in Iran, was an early casualty of the revolution.

In the late summer of 1978 Shah Mohammad Reza Pahlavi had made his first serious political effort to reach an accommodation with his revolutionary tormentors. He appointed Jafaar Sherrif Imami Prime Minister and relaxed the coercive control of his country. A political survivor, Sherrif Imami was a not unreasonable choice to explore the prospects of accommodating the interests of the Shah and his opposition.

On what Iranians call Black Friday, September 8, 1978, the answer was clear. There were no reasonable prospects for accommodating the Shah and the revolutionary forces. Black Friday seemed to mark a return to brutal suppression. Scores of demonstrators—opposition spokesmen insisted at least 4,500—were shot down. But in fact the Shah did not then or later turn to a policy of consistently applied suppression. He was unwilling or incapable of consistency, and each day the certainty of his overthrow became more apparent.

In the weeks and months between Black Friday and the success of the revolution, opposition leaders began to advance transitional plans, ostensibly to achieve a transfer of authority from the Shah to his successors with a minimal loss of life. But the transitional plans, intended to stabilize the existing revolutionary alliance, were, in fact, an excellent reflection of the great diversity of the revolutionary elements, the relative strength of each and the level of mutual distrust.

Inside Iran, the Iranian Committee for Human Rights and Liberty was in effect the high command of the central core of the revolution. Included were representatives of the liberal secular community, liberal Islamic laymen and clerics. There were socialists of the Fabian variety, but the secular and religious left were excluded. More or less clearly understood was the most essential element of the revolutionary equation: the enormous charismatic appeal of Ayatollah

Ruhollah Khomeini. Mass support for the revolution was overwhelmingly a product of this appeal. Thus the left could be excluded, in spite of its having dominated the efforts to oppose the regime by violence, because its numerical support was only a tiny fraction of Khomeini's.

Revolutionary leaders representing the liberal intelligentsia, both secular and religious, had an even narrower base of political support, although the political leaders who spoke for Khomeini in Iran and who surrounded him in exile were drawn mainly from liberal, religious intellectuals, and specifically those organized in the underground Freedom Front. Mehdi Bazergan was their leader and primary spokesman.

Liberal secularists from the National Front, the Radical Movement of Iran and other organizations were at a terrible disadvantage, largely dependent on friends and long-time allies in the Freedom Front for their claim to share authority. The National Front and Freedom Front together could claim the important legacy of the first Iranian charismatic leader, Mohammad Mossadeq, and there were many within the Freedom Front who wished to preserve this Mossadeqist coalition.

As demonstrations grew in size and frequency, however, the asymmetry of the revolutionary elite was increasingly apparent. Millions of people marched in remarkably good order. The organization that made that possible rested on the clerical leaders and the religious bureaucracy. The organizing genius behind this astonishing phenomenon was believed to be Ayatollah Mohammad Beheshti. Leftist demonstrations, though impressive, could not compare in size, and the secular liberal leaders appeared to have little or no rank-and-file following.

The rhythm of polarization was clear. Even before the collapse of the royal dictatorship, Khomeini appointed Mehdi Bazergan as Prime Minister. Khomeini acted outside the constitution but with the legitimacy granted by overwhelming popular acceptance. Bazergan in turn appointed a Cabinet that was strongly liberal and with a fair secular/religious balance. But Iran's security apparatus had collapsed and with it the government's ability to exercise control nationally, regionally or, indeed, even at the neighborhood level. To deal effectively with this (hopefully)

temporary problem, Khomeini approved a set of revolutionary institutions, with the dual purpose of maintaining basic order in the country and balancing the reformist tendencies of those in the government and bureaucracy.

On a less exalted level, the revolutionary committees showed little interest in protecting the property or even the lives of middle and upper middle class citizens. Class conflict and religious persecution were involved. Members of the Bahai sect, long suspect in Iran because of their alleged cooperation with foreign exploiters and condemned by conservative religious leaders as heretics, were particularly vulnerable. Members of the Jewish, Christian and Zoroastrian communities also suffered persecution.¹ Bazergan's natural base of support, the middle class, began in large numbers to leave Iran, and middle class political leaders criticized him bitterly. Thus deserted, Bazergan lost what small bargaining advantage he had.²

Paralleling Bazergan's political emasculation was the emasculation of liberal institutions. Newspapers and political parties were shut down, and editors and politicians went underground or into exile. By late 1979, Khomeini had eliminated from the political scene everyone whose political strength was not derived from Khomeini's political blessing, with one striking exception, Ayatollah Kazem Shariatmaderi. With Khomeini, he was one of the top five leaders in Shii Islam. Shariatmaderi's support came largely from Turkish-speaking Iranians from the province of Azerbaijan, where Shariatmaderi's popularity was at least equal to and probably significantly greater than Khomeini's. Shariatmaderi's followers formed the Muslim Peoples Republican party; and the Radical Movement of Iran, led by Rahmatollah Moghadam Maraghei, began exploring the possibility of electoral cooperation with the Peoples party. But in December, 1979, open conflict developed. Many people were killed; Moghadam Maraghei was forced to flee from Iran; and Shariatmaderi withdrew from open participation in politics. But he remains in Iran, a potential rallying point for a developing opposition to Khomeini.

KHOMEINI: DEVIL OR HOLY MAN

Many observers (especially Iranian) of the Iranian

¹Amnesty International, "Law and Human Rights in the Islamic Republic of Iran," February, 1980.

²For a Bazergan statement see his address to the nation April 24, 1979, Foreign Broadcast Information Service (FBIS), April 26, 1979.

³For a sophisticated analysis in this vein see Eric Rouleau, "Khomeini's Iran," *Foreign Affairs*, vol. 50, no. 1 (fall, 1980), pp. 1-20.

⁴Orianna Fallaci interview with Khomeini, *The New York Times* magazine, October 7, 1979, p. 29.

⁵Orianna Fallaci interview with Bazergan, *The New York Times* magazine October 28, 1979, p. 29.

revolution see conscious purpose in the rhythm of Iranian political developments. In this view, Khomeini had a clear image of an Iran controlled by him. He proceeded with tactical schemes that were diabolically clever. By early 1980, his open opposition was eliminated and his task was the institutionalization of an Islamic society over which he could exercise absolute control. The seeming chaos in Iran was, in this view, an element of the unfolding scheme.³

Like any good devil theory, this view of Khomeini is irrefutable. But a diametrically opposed view of Khomeini can also explain the rhythm of the first two years. In this view, Khomeini is a holy man, and the key to understanding him is the totality with which he accepts the presence of God and of Satan. Thus he is constantly engaged in comprehending God's plan as it is revealed in the unfolding of political events. In this view, Khomeini's impenetrable vagueness reflects accurately his political thinking. He operates politically at a level of high abstraction, caring nothing about the details of politics. His mission at this level is to free the oppressed peoples of the world from the wiles of their oppressors and, with regard to Muslims, to lead the way to a true Islamic political society.

His authority rests on his remarkable ability to appeal to Iran's lower and lower middle classes. He speaks their language, understands their profound sense of injustice and deprivation, and can articulate it. But this is balanced by a moral absolutism that permits him to advocate the elimination of non-Islamic (read secular) influence as if it were a "gangrenous arm."⁴

The consequence has been a strong trend toward the elimination of secular influence in government and educational institutions. But there is also government paralysis. Khomeini refuses to choose among political leaders who are, in his view, sincere in their devotion to Islam. But philosophical differences and personal rivalries cannot be forgotten, and Khomeini's admonitions have the effect of preventing the consolidation of power by one faction or another.⁵

KHOMEINI IRAN

Ayatollah Ruhollah Khomeini, far more than Mohammad Mossadeq and possibly more than any charismatic figure in Iran's history, has given definition to the polity he represents. Seen in his image, Iran appears mystically devout, literalist and insistently messianic. No longer a nation but the vanguard of Islamic revival, Iran responds to the new/old symbols of the world of religion as naturally as it once did to nationalist symbols. But there is in this astonishing transformation more than a little illusion.

Khomeini continues to dominate the image of Iran in large part (and paradoxically) because he has so recklessly cast aside such a large percentage of his

one-time overwhelming support. Among those purged are the secular nationalists whose support was essential if the Iranian middle class were to be integrated into the new Iranian political society; the leaders of all ethnic groups that entertained any serious hope of a form of autonomy in Iran; and the followers of conservative religious leaders. Recent attacks on bazaar merchants who fail to live up to Koranic standards suggest that the purge will extend more deeply still. There remains with Khomeini a core of dedicated and deeply sincere followers of whatever line he advances and a mass support, mainly urban, lower and lower middle class and farsi speaking. Quantitatively, his support is much reduced, surely to less than half his original following. But qualitatively the support seems fierce and unrelenting, particularly among the core element.

Iran's great diversity and several strong historical trends are concealed by this Khomeini-dominated image. Of the ethnic groups in Iran, four (in conjunction with members of their ethnic communities living in areas adjacent to but outside Iran) can seriously aspire to separate nation-statehood. Each of the four, Turkoman, Kurd, Baluchi and Arab, responded later than farsi-speaking Iranians to the appeals of modernization. This developmental rhythm has made it difficult for them to achieve the kind of unity and efficacy that would make a strong bid for independent nation-statehood possible. Yet once the repressive control of the royal dictatorship was lifted, these four and other ethnic groups asked for the right to express their cultural and, to varying degrees, their political identities. Viewing an Islamic identity as obviously preeminent, Khomeini had little sympathy for these ethnic groups. Instead, he saw the efforts of counterrevolutionaries to exploit the Sunni-Shii differences that separated many members of the minority communities from the farsi-speaking majority. The consequent deep dissatisfaction and alienation even extended into Azerbaijan, a Turkish-speaking province long and closely associated with Iranian nationalism. From the Kurds, the most assertive of the ethnic communities, came open rebellion.

Of the long-term trends concealed by the Khomeini image, most important by far is secular nationalism. That trend, manifest in Iran for the past century, was the dominant element in the Mossadeq phenomenon and continued strong in the years of the Pahlavi dictatorship. But if the size of the population that was secular increased in arithmetic progression over the past generation, the proportion of the population that was political increased in geometric progression. Thus even though secularists were numerically a substantial element at the time of the revolution, the pro-Khomeini rank and file, newly participant and highly religious, were a much larger group. However, within the politically most attentive 10 percent of the popu-

lation the secular/religious equation surely favors the secularists. The exclusion of so important an element from participation in the new revolutionary society can only be a source of ultimate fragility and vulnerability for the revolutionary Khomeini regime. In any event, as the regime wages war against a technically superior foe and tries to recover economically, it must turn to strongly secular technocratic elements. It must also appeal to the nationalism that (as much as he may wish it were not so) dominates virtually all Khomeini's followers.

Closely paralleling this trend is the movement to the left of the revolutionary-minded youthful intelligentsia. Whereas some professional and technocratic elements accommodated themselves to the Pahlavi dictatorship and looked with favor on the aging National Front and Freedom Front leaders, others did not. The secular-minded and irreligious component of this group moved into a variety of leftist parties, most important of which was the Fedayan. Anti-Soviet because of the excellent relations between the Soviet Union and, even more, East Europe and the Shah's regime, the Fedayan was nationalist and Marxist, speaking for the important element of the population whose counterparts a generation earlier were the core support for the National Front. The religious members of this group responded with enthusiasm to the writings of Ali Shariati and moved into the leftist religious political group, the Mujahaddin. Their counterparts of the previous generation had been attracted to the Freedom Front.

Both the Fedayan and Mujahaddin had engaged in guerrilla warfare against the Shah, and watched with dismay the growing clerical dominance in the revolutionary government. Despite persecution by the regime, both groups remain committed to the revolution and operate inside Iran, not in exile. The Mujahaddin in particular are a force to take note of. Despite his youth, their leader, Massoud Rajavi, has demonstrated an ability to attract support far beyond the Mujahaddin core, and the organization has been able to bring crowds of well over 100,000 people into the streets despite official disfavor. The Fedayan has been crippled by the defection of a substantial proportion of its followers, who have moved into a collaborative relationship with the third major focus of left political activity, the pro-Moscow Tudeh party.

Throughout the Pahlavi dictatorship the Tudeh maintained the best political organization of any party. But the close association of the Tudeh with the Soviet Union—a de facto friend of the Shah's despite his occasional anti-Communist rhetoric—reduced the Tudeh's attraction to left intellectuals. Since the revolution (and again closely paralleling Soviet policy), the Tudeh has supported Khomeini in spite of consistent rebuffs. But the rebuffs have not been of the order to force the Tudeh underground

and, as the defection of many Fedayan to the Tudeh demonstrates, the tactic of association with Khomeini is paying off. Rank-and-file supporters are apparently sufficiently sophisticated to see the long-term advantage to the left in maintaining a close identity with what is after all a massively supported populist revolution.

Even as Iran moved into the throes of a desperate military conflict, its cultural revolution is comparable to that of the People's Republic of China in the last days of Chairman Mao Zedong. Purges of the bureaucracy and the universities were escalating up to the moment of the Iraqi attack on Iran. The new Majlis was dominated overwhelmingly by men, most of them associated with the Islamic Republic party, who fully support the cultural revolution in its most extreme manifestations. But there was also clear evidence of support for a return to pragmatism. The first elected President of the Islamic Republic of Iran, Abol Hassan Bani Sadr, won decisively in spite of the opposition of the clerical bureaucracy associated with the Islamic Republic party. Bani Sadr spoke openly if obliquely in public statements and in his newspaper of the need for a reintegration of the secular community into Iranian political society. As a result of the overwhelming victory of the Islamic Republic party candidates in Majlis elections, Bani Sadr was ultimately compelled to accept a Prime Minister, Mohammad Rejai, and a Cabinet close to that party. But Bani Sadr's election was in no small part due to the electorate's belief that he was Khomeini's personal choice.

Furthermore, the "hard-line" image of the Islamic Republic party (IRP) is to a considerable degree an illusion; in fact the Islamic Republic party is an umbrella organization with no clearly developed program, and the political philosophical range of its members is wide. Indeed, in terms of programmatic preference, the party's president, Ayatollah Beheshti, is probably no more than a few degrees away from President Bani Sadr. Nonetheless, the members of the IRP want to prove their revolutionary bona fides and to identify themselves with Khomeini's cultural revolution. Should the charismatic appeal of Khomeini begin to decline or should Khomeini withdraw from affairs politic, the diversity in the IRP would become manifest. At that point, marginal figures like Ayatollah Sadeq Khalkhali and fringe political groupings like the Fedayan Islam would probably advocate an extreme position favoring the cultural revolution.

THE HOSTAGE ISSUE

No issue reveals more about the strange world of Ayatollah Khomeini and the ambivalence of Khomeini's Iran than the hostage issue. The takeover of the United States embassy on November 4, 1979, by

young people calling themselves the "Followers of the Line of the Imam" was in direct response to Khomeini's strong, outraged statements protesting the Shah's arrival in the United States for medical treatment. But there is little evidence to suggest that the takeover was part of government strategy. Nor is there really strong evidence for the case accepted as self-evident by many Iranians hostile to the regime that the issue was welcomed by clerical hard-liners as a means of besting their more pragmatic competitors. On the contrary, private expressions of dismay by government officials approached unanimity at this turn of events, and some officials openly disapproved. Prime Minister Bazergan and his Cabinet resigned, and no successors were appointed. Within the Revolutionary Council which assumed the role of the Cabinet, there was more understanding of Khomeini's position but there was also an understanding of the extraordinary price Iran and the revolution were paying.

Indeed, nothing demonstrates better than this issue the power and decisional style of Khomeini. As long as he thought the keeping of hostages served his revolutionary purpose, no skepticism on the part of his associates could lead to their release. Yet those most openly opposed to keeping the hostages, including former Prime Minister Bazergan and newly elected President Bani Sadr, remained in Khomeini's favor. His tolerance for a diversity of views among those whose devotion to Islam and the Islamic ideology he did not question was exceptionally broad. Indeed, although Khomeini was personally convinced of the correctness of the Iranian action on the hostages, there were many indications that he would have acquiesced had there been a clear consensus among his associates in favor of releasing them. The importance of consensus among the faithful is one of the few clearly consistent elements in Khomeini's political thinking.

Khomeini's own rationale on the hostage issue goes as follows: the superpowers are oppressor states who demonstrate with regular frequency that they are following a satanic path of interference with an exploitation of the oppressed people. The Soviet invasion of Afghanistan is only the most recent manifestation of this pattern. The United States was the primary interfering power in Iran. American and British policy imposed on Iran the dictatorship of their agent, Shah Mohammad Reza, just as British policy a generation earlier had imposed the Shah's father, Reza, on Iran. But the Iranian revolution was a clear manifestation of God's will that there be an end to this oppression, made clear by the strength of this revolution and its essentially nonviolent demeanor.

American policy absorbed the shock, and American leaders should have understood that they lacked the

power to run counter to the God-ordained development. That they did not was made evident by their openly insulting behavior of admitting the Shah to America for medical treatment that he could just as well have received in Mexico. Obviously more shocks were needed to turn the United States from its satanic path, and Khomeini saw the taking of the hostages as one such shock. As Americans understood their inability to release the American hostages, some comprehension of the limits of American power in dealing with the oppressed world might develop. The hostages would be released when the full effect of the shock on American policy had been felt. When would that be? As always, God would show the way.

Finally, on September 12, 1980, Khomeini made a statement that indicated that the hostage-taking had served its purpose. Movement toward their release progressed from that moment.

KHOMEINI'S WORLD VIEW

On the highest level of abstraction, Khomeini's policies are entirely consistent with his dualistic view of the oppressors and oppressed. One of his first acts after the revolution was a boycott on the sale of oil to Israel and South Africa, two minor but particularly guilty oppressor states. He exhibits little fear of either superpower. Thus Foreign Minister Sadeq Qotbzadeh had Khomeini's full backing in leading the Islamabad Conference in May, 1980, to denounce the Soviet invasion of Afghanistan, although a badly weakened Iranian armed force faced this same superpower on a 1,600-mile border and although this action was taken in the midst of the hostage crisis with the other superpower, the United States. Khomeini acted with the courage of a man secure in his conviction of God's ultimate support.

But Iran must also deal with the governments of its non-superpower neighbors most of whose peoples are Islamic. In some instances, the oppressor-oppressed model satisfies. Israel is an oppressor state and Egypt is a self-admitted agent of American policy. So are Oman and, only slightly less clearly, Jordan and Morocco. But what of Turkey, Algeria, Syria, Libya, the Palestine Liberation Organization (PLO), Pakistan? What of Saudi Arabia, Kuwait, Bahrein, Qatar and the United Arab Emirates? And what of Iraq? None of these states, in Khomeini's view, has a truly Islamic government, but some have incorporated elements of Islam.⁶ Next to Iran, Algeria may be truest to Islam. Least true to Islam but still not fully incorporated as agents of the oppressors (although sometimes Khomeini describes them as such) are the Arabian peninsula states. Others fall in between.

Should Iranian policy differentiate among the regimes governing Islamic peoples? In practice it has

obviously differentiated. But in Khomeini's view another abstract model is now operating: the Iranian revolution. For him, the Iranian revolution is an Islamic revolution, and it is obviously God's will that it should extend beyond the borders of Iran. Not that Iran should become an imperialist state. On the contrary, other Islamic peoples should themselves overturn governments, all of which to one degree or another have exchanged their Islamic culture for the culture of their oppressors. Ultimately, an Islamic society shorn of secular and national influence and discovering the joy, the freedom and the justice of Islamic ideology will emerge. The sectarian divisions in Islam, particularly the Sunni-Shii division, should not be an obstacle to Islamic unity of purpose, although they will be used by counterrevolutionaries whose satanic purpose is to thwart God's will.

Needless to say, secularists are bemused by the other worldly quality of this variety of imperialism, if it can be described as imperialism. An Iranian desire for territory and influence is easily comprehended, as is the notion that Iran will exploit Sunni-Shii differences as a tactic for achieving that objective. But to take Khomeini seriously is more difficult. It is easy to conclude that he is using a devious device to advance Iranian expansionist interests. But his behavior suggests that on the contrary Khomeini means exactly what he says.

In any event, no secular leader in the Islamic world can afford to take Khomeini lightly. To be sure, it is Khomeini's charisma that gives great force to his views, and that charisma may extend into some Shii communities outside Iran but nowhere else. Khomeini says he has no interest in playing on Sunni-Shii conflict outside Iran. His endorsing the Iranian constitution (which declares Iran a Shii Islamic state) does not prove the contrary, and Khomeini has indicated a willingness to alter that aspect of the constitution. But in practical terms, Khomeini's appeal outside Iran is expressed differentially, and that appeal is greatest among the Shii. Since the Shii in Iraq and the Arabian peninsula are relatively deprived as a group, the attraction is broader than a simply religious attraction. Without question, Khomeini's appeal to non-Iranian Shiis is seriously destabilizing for the relevant regimes. But the appeal of Khomeini's message to deeply religious Sunni Muslims should not be disregarded. The Khomeini

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⁶For the need for a single Islamic government see his remarks of May 7, 1979, FBIS, May 8, 1980.

"Because there is no ready substitute for Middle East oil in world markets, major powers with a stake in the area would be well advised to strive to the best of their ability to reduce the many causes of tension in this volatile region."

The Persian Gulf Crisis and Global Oil

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THE war between Iraq and Iran that began on September 22, 1980, has resulted in widespread destruction of their oil installations and stoppage of their crude and refined petroleum exports. Three fundamental sets of factors affect the world's oil supplies: physical, economic and political. Each of the three has played and is likely to play in the future a major role in connection with the Iraqi-Iranian war.

The physical factors are the most obvious. Because both Iraq and Iran are able to shell and bomb each other's oil facilities and are unable to defend them, there has been substantial damage to both countries' refineries, pipelines and maritime terminals, the latter including loading installations, pumps, and storage tanks.

In Iran, the primary damage was inflicted on the refinery in Abadan, one of the world's largest, with a capacity of 570,000 barrels a day (b/d).¹ Located on an island in the delta of the Shatt al-Arab just across from Iraq, Abadan was subjected to unceasing Iraqi artillery barrages and aerial bombings from the first day of war. The next largest Iranian refinery, in Teheran, with a 223,000 b/d capacity, also suffered attacks on two lesser refineries, those of Kermanshah (Kurramshahr) and Lavan Island, each of 19,000 b/d capacity. As of this writing (mid-November 1980), it is uncertain whether any of the remaining local refineries—in Isfahan (95,000 b/d), Masjid-e Suleiman (61,000 b/d), Shiraz (48,000 b/d), and Tabriz (76,000 b/d)—have been subjected to total or partial destruction. Insofar as exports of refined products are concerned, it is the damage to Abadan and the two refineries located closer to the Persian Gulf terminals (Lavan Island and Masjid-e Suleiman) that matter. But even complete destruction of these facilities is dwarfed by the stoppage of the exports of crude, which in prerevolutionary Iran, i.e., in the mid-1970's, averaged 5.5 million b/d—about ten times the volume of refined products.

Iran's main oil terminals are located in Abadan,

Bandar Mashur, and on Kharg Island. Abadan's crude export capacity was 600,000 b/d, Bandar Mashur was geared to the export of refined products at the rate of some 400,000 to 500,000 b/d, while Kharg's throughput capacity of crude has been about 6 million b/d. By mid-November, damage to the Kharg terminal was reported slight, with only 2 of its 22 storage tanks hit by enemy bombing. The dense network of pipelines connecting all three terminals with the oil fields in Khuzistan has suffered some damage, apparently most intensive in the approaches to Abadan. Thus far there has been no reported major damage to the oil fields themselves. However, many storage tanks, especially those close to the Abadan refinery and terminal, were put to fire.

On the eve of the war, largely as a result of the United States-sponsored international boycott in the wake of the capture of American hostages, Iran's production of oil had dwindled from 5.5 million b/d to 1.2 million b/d, of which 700,000 b/d was used for domestic consumption and only 500,000 b/d went for export. Thus, in the immediate sense, the stoppage of Iran's oil exports has not made much difference in current world supplies. By contrast, the bombing of two pipeline junctions and distribution centers for Iran's domestic supplies, Ahwaz and Dezful, and their virtual cutting off from the rest of the country by the Iraqi land forces were bound to have serious repercussions on the supply of gasoline, heating oil, and kerosene—the latter still widely used for cooking.

The damage inflicted on Iraq's oil facilities has also been extensive. Most affected by Iranian aerial bombing were the offshore oil-loading terminals in the Persian Gulf, located south of Fao, at Khor al-Amaya and Mina al-Bakr. These facilities were primarily geared to handle exports of oil from the southern (Basra) region, but they could also serve as outlets for the northern (mostly Kirkuk) oil in case the northern region was cut off from its customary terminals on the Mediterranean coast. Like Iran, Iraq suffered damage to its refineries, especially those in Basra (140,000 b/d capacity), Daura in the suburb of Baghdad (69,000 b/d), Qaiyara near Mosul (32,000 b/d), and Kirkuk (6,000 b/d). It is not clear whether and to what extent the remaining four minor refineries (Alwand, K-3 Haditha, Mufthia, and Al-Jumhuri), totaling 38,000

¹Statistics in this article are based on composite sources: the United States oil industry (Standard Oil of California and Exxon), the Department of Energy, the International Energy Agency, the trade publications, and *Arab News* (Jedda).

b/d capacity and geared mostly to domestic consumption, were incapacitated.

But again, as in the case of Iran, refined products constituted only a negligible part of the total exports. For its crude, Iraq had four outlets: (a) the Kirkuk-Banias pipeline linking its northern oil fields with the Syrian coast, with a feeder pipeline from Mosul and a branch outlet in Tripoli in Lebanon (Syrian P/L); (b) the Kirkuk-Dörtyol pipeline stretching through Turkey north of the Syrian border and terminating near Iskenderun on the Mediterranean coast (Turkish P/L); (c) the "strategic" north-south pipeline linking the Kirkuk-Mosul area with the Basra area and the Persian Gulf (N-S P/L) and designed to ensure spare capacity if either the Mediterranean or the Persian Gulf outlets were to be cut off; and (d) the earlier-noted Fao offshore terminals, primarily designed to service the Basra region production. The respective capacities and the actual throughput of these four outlets were as follows (Table 1):

Pipeline	Capacity	1980 up to Sept. 22
Syrian P/L	1,400,000 b/d	700,000 b/d
Turkish P/L	700,000	600,000
N-S P/L	1,000,000	2,000,000
Fao terminal	2,500,000	
Total		3,300,000 b/d ²

Because of the length of its pipelines and the fact that two of them have to cross territories of foreign states, Iraq's outlets appear to be more vulnerable to politically motivated stoppages than those of Iran, which do not have to depend on foreign transit. On the other hand, Iraq's oil fields are more dispersed (located in three separate areas) than the Iranian fields; furthermore Iraq, by virtue of having three major pipelines directed to either the Mediterranean or the Gulf, has more alternatives than has Iran. These considerations might have had greater validity had Iraq's preventive or defensive capacity been greater than it actually was. In reality, Iraq's oil exports were suspended on September 26, only four days after the start of the war, because in addition to the damage done to the Fao terminals both the Turkish and the Syrian pipelines were sabotaged: the first on Turkish territory and the second somewhere in the Iraqi-Syrian desert.

Damage to pipelines—as the experiences of the Arab-Israeli wars of 1956 and 1967 proved—can be repaired within a few days if it is limited to the

rupturing of the pipe. If pumping stations are damaged, repairs may take some weeks, depending on the availability of spare parts. However, if such damage occurs simultaneously with the destruction of producing and terminal facilities, return to normal functioning may claim a much longer period, perhaps as much as one year. It should be noted that neither the Iraqi nor the Iranian producing wells seems to have suffered any substantial damage.

Thus, taken together, Iraq and Iran stopped exporting a total of about 3.8 million b/d, which was the level of their exports on the eve of the war. It is uncertain to what extent they have been able to maintain their respective shares for domestic consumption: 700,000 b/d for Iran and 200,000 b/d for Iraq. During 1980 prior to the war, the Western world production amounted to about 47 million b/d while Sino-Soviet production was close to 14 million b/d—a total of about 61 million b/d for the world. Of this total, 28 million b/d was produced by the states belonging to the Organization of Petroleum Exporting Countries (OPEC), of which both Iran and Iraq are members.³ On a world scale, the joint Iraqi-Iranian stoppage of production made only a small dent. On the OPEC scale, this interruption of exports accounts for some 13 percent of total production. This is certainly not a negligible figure. Fortunately, however, the OPEC group (other than Iraq and Iran) is in a position to replace nearly 70 percent of the export volume missing as a result of the war, because it has a spare capacity of 2.6 million b/d above current levels of production, as Table 2 illustrates.

Table 2: Average Production and Spare Capacity of OPEC with the Exception of Iraq and Iran, 1980 up to September 22 (in million b/d)

	Average production	Total capacity	Spare capacity
Saudi Arabia	9.5	11.0	1.5
Other OPEC members	14.7	15.8	1.1
Total	24.2	26.8	2.6

In addition to the spare capacity, at least four other technical factors affect the availability of oil supplies in the world markets.

The first is, of course, the working condition of the production, pipeline and terminal facilities of other producing countries, especially the major producers, like Saudi Arabia, Kuwait and the United Arab Emirates, that are situated in proximity to the theater of war. As a state located dangerously close to the war zone, Kuwait is especially vulnerable, even to accidental attack and disruption. Saudi Arabia is somewhat safer, but it should be noted that its oil-bearing fields and main maritime terminals on the Gulf are within 20 to 30 minutes of the aircraft range based in Iran and Iraq respectively.

²This is the average for 1980 before September 22. Actually, on the eve of the war, Iraqi exports amounted to 2.8 million b/d only, the Syrian pipeline transiting slightly less than 300,000 b/d.

³The membership of OPEC is composed of Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, United Arab Emirates, and Venezuela.

On the other hand, barring a massive destruction of its producing facilities, Saudi Arabia has one ready alternative outlet, the Trans-Arabian Pipeline (Tapline), terminating at Sidon in Lebanon, and one outlet under construction: the Jubail-Yanbu pipeline, which when completed by the second half of 1981 should link its eastern oil fields with the Red Sea north of Jeddah. Its initial capacity is expected to be 1.85 million b/d, later to be expanded to 3.7 million b/d. The physical existence of Tapline provides, however, only a partial solution in the current crisis: the pipeline has to traverse the territory of Saudi Arabia, Jordan, Syria (partly occupied by Israel) and Lebanon and its westernmost stretch lies beyond Saudi political control. Beginning with the Lebanese civil war in 1975, Tapline has not operated as a transit channel for overseas operations. Its capacity is 450,000 b/d.

The second technical factor is the availability of free waterways for the passage of tankers. The most strategic of these is the Strait of Hormuz, through which some 18 million b/d had been transiting before the outbreak of the Iraqi-Iranian war. This tanker traffic was substantially reduced not only because the Iraqi and Iranian harbors became inaccessible but also because of the fear of accidental or premeditated attacks on tankers sailing to other Gulf ports. By the end of October, some 30 tankers lay at anchor in front of Muscat waiting for instructions. At the same time, it was reported that insurance rates were raised 300 percent for those vessels that ventured north of 24 degrees latitude—some 20 miles north of Muscat. Generally, in October, tanker traffic in the Strait of Hormuz declined by one-third as compared with the prewar era.

Next in strategic importance—in terms of international oil traffic—are the Strait of Bab el-Mandeb and the Suez Canal. Although highly vulnerable to disruption (the Suez Canal was closed twice as a result of the Arab-Israeli wars of 1956 and 1967), these waterways are sufficiently remote from the Iraqi-Iranian theater of war to inspire confidence in their continued availability in the current crisis. Moreover, the SUMED pipeline crossing Egypt from Ain Sukhna south of Suez to Sidi Kerir west of Alexandria, with a capacity of 1.6 million b/d, not only provides an alternative in case the Suez Canal is blocked but has a spare throughput potential inasmuch as only 25 to 30 percent of its capacity was utilized before the outbreak of the war.

The third technical factor is the availability of tanker space. Because of substantial investment in

large tankers by major oil companies in the wake of the blockage of the Suez Canal and the pipeline traffic as a result of the June, 1967, war, there exists today a large—and partly unused—tanker capacity. In fact, tankers may be seen to play a dual role as carriers and storage vessels for oil. About 370 million barrels of Persian Gulf crude is on the water each day in tankers. Assuming an average 20-day one-way trip, this amounts to 18.5 million b/d in actual deliveries. An average tanker voyage from the Persian Gulf to Rotterdam covers about 11,200 miles if routed around Africa and 6,400 miles via the Suez Canal.

The fourth technical factor is the size of stockpiles in the consuming countries. According to the calculations of the International Energy Agency in Paris, the main industrial nations possess reserves estimated at some 3.5 billion barrels.⁴ These may supply the needs of Europe and Japan for some 120 days while, according to the United States Department of Energy, American stockpiles may last, at the present consumption level of 17.8 million b/d, 164 days.⁵

In the economic sector, the first relevant issue is the relationship of supply to demand. Partly because of the price levels for imported oil and partly as a result of slowdown and recession in various consuming countries, the demand for oil slackened in 1980, and it was often asserted that a "surplus" or "glut" of oil existed on world markets, estimated at 2.8 million b/d. The notion of "surplus" is not identical with the concept of spare capacity, although some overlapping of the two may occur. "Surplus" is an economic phenomenon, denoting the availability on the market of oil that cannot readily find buyers at the prevailing prices. "Spare capacity," as noted earlier, is a technical condition indicating the ability to produce at a certain sustainable level above the level of actual production. It should be pointed out that the surplus condition existed before September 22, 1980, even though the Iranian production fell from its average of 5.5 million b/d in the mid-1970's (i.e., during the Shah's rule) to steadily decreasing volumes until it reached a 1.2 million b/d low under the Ayatollah Ruhollah Khomeini's regime in the months before the war; furthermore, Saudi production stood at the level of 9.5 million b/d during that period. If we add 1 million b/d (an extra volume within the capacity of a single country like Saudi Arabia) to the existing "surplus" of 2.8 million b/d, we obtain a figure of 3.8 million b/d, exactly equivalent to the missing volume of Iraqi and Iranian exports as the result of the current war.

The consuming countries were unevenly affected by the stoppage of exports from Iraq and Iran. The United States ceased importing Iranian oil in February, 1980, and during 1980 imported only a minor quantity—37,000 b/d—from Iraq. Thus it was not directly affected by the war-caused disruption in

⁴Statement by Ulf Lantzke, Director General of International Energy Agency, *The New York Times*, September 27, 1980, p. 39.

⁵Statement by John Sawhill, Undersecretary of Energy, *Arab News* (Jeddah), September 27, 1980.

Table 3: Exports from Iraq and Iran to their Principal Customers, Prewar 1980
(in thousands of b/d)

Country	A	B	
	Oil Consumption	Oil Imports from Iran	Oil Imports from Iraq as % of A
France	2,300	—	560 24
Italy	2,100	—	225 11
Portugal	390	—	70 18
Spain	860	100	140 28
India	600	120	120 40
Turkey	380	60	100 42
Brazil	1,110	30	440 42
Japan	5,890	—	400 6

supplies. It could, however, be affected indirectly, if oil usually available to it from other exporting countries were to be rerouted to other destinations. In terms of sheer volume, France suffered the greatest loss among the consumers, with its imports of 560,000 b/d from Iraq, equivalent to 24 percent of its consumption. In terms of proportion of imports from the two belligerents to its total consumption, the greatest deficit was experienced by Brazil: 470,000 b/d on a total of 1,110,000 b/d consumption (42 percent). This is illustrated by Table 3.

The inevitable result of these dislocations was the rise in prices of oil. In September before the war, the prevailing OPEC price stood at \$30-\$32 a barrel for the Light Arabian Crude and the Amsterdam "spot market" had been to all practical purposes eliminated; but the sudden loss of Iraqi-Iranian supplies caused the reappearance of the spot market, with prices edging close to \$40 a barrel. This surge in prices, however, was not likely to persist.

Of course, the existence of OPEC—an intergovernmental cartel—always carries with it the notion of price fixing, hence a rise in prices, as experience since 1973 has shown. But to be sustained, such price fixing must be based on either a balance between supply and demand or a higher demand than supply. To ensure full compliance with the OPEC decisions on prices, member states would have to restrict production when supply exceeds demand. But such a restriction presupposes agreement on the rationing of production among the member states. Although various proposals have been set forth by OPEC members, such an agreement has never been reached.

This failure stems from the different levels of wealth and different approaches to spending on development of OPEC member states. In spite of the enormous amounts spent on development, countries like Saudi Arabia, Kuwait and the Gulf emirates may be regarded as "savers": their foreign currency assets are large and growing and they do not experience an urgent need to increase their oil production to meet their needs. By contrast, Algeria, Iraq and, to some

extent, Iran (before the 1979 revolution) could be regarded as "spenders," who needed all their oil-generated funds for development and for even ordinary budget expenditures.

Much in the preceding discussion touched, at least implicitly, on political decision-making. A development policy, a decision on the level of production or price, involves not only economic but political decisions. Three aspects of decision-making are clearly political: the willingness of producers to produce, their decisions regarding whom to supply with their products, and their attitudes toward the belligerent parties in the Iraqi-Iranian war.

The most important aspect is undoubtedly the first: are those producers who possess an ascertained spare capacity willing to increase their production, even if their purely economic interests dictate a policy of conservation and restraint? The country that is most crucial in this respect is Saudi Arabia, with its 1.5 million b/d spare capacity above the 9.5 million b/d 1980 level of production. Fortunately for the consumers of Iraqi and Iranian oil, soon after the start of the war the Saudi government declared its willingness to increase its production to 10.4 million b/d. Furthermore, according to a report from *Platt's Oilgram News* of October 31, Iraq informed its six largest customers that Saudi Arabia and Kuwait would supply up to 50 percent of contracted Iraqi crude exported before the beginning of hostilities.

Because the Iraqi-Iranian war does not involve Israel directly and because the United States has thus far maintained an attitude of neutrality toward the conflict, there is no reason to expect that Saudi Arabia and Kuwait would discriminate in their customary or increased pattern of exports. Should Israel become involved (for example by taking some action against Iraq) and should Washington—perhaps for the sake of American hostages in Iran—take steps that would be interpreted by Saudi Arabia as abandonment of neutrality, serious shifts in political alignments and also in oil movements might occur. At stake in such a case might be a major portion of Saudi exports usually destined for the United States.

Last but not least is the attitude of the main oil producers toward the parties in the current war. Libya and Syria—contrary to time-honored Arab custom—chose to abandon Arab solidarity, which would have caused them to help Iraq, and instead declared their support for Khomeini's Iran. In the case of Libya, this stance has already resulted in the

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George Lenczowski is the author of *The Middle East in World Affairs*, 4th ed. (Ithaca: Cornell University Press, 1980), *Middle East Oil in a Revolutionary Age* (Washington, D.C.: American Enterprise Institute, 1976).

"Clearly, Egypt and Israel and the United States see the need for continued efforts to resolve the conflict (at least for now) within the Camp David framework. Peace and normalization must be maintained and expanded."

The Middle East Autonomy Talks

BY BERNARD REICH

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THE "autonomy talks" between Egypt and Israel with United States assistance constitute the most recent sustained effort to achieve some form of accommodation between Israel and its neighbors. They derive from the Camp David accords of September, 1978, and the Egyptian-Israeli peace treaty of March, 1979, and seek to further the quest for peace in the Middle East.

In early September, 1978, United States President Jimmy Carter, President Anwar Sadat of Egypt and Prime Minister Menachem Begin of Israel and their senior aides held an extraordinary series of meetings at Camp David, Maryland, where they discussed the Arab-Israeli conflict at length. On September 17, 1978, they announced two accords—"A Framework for Peace in the Middle East Agreed at Camp David" and a "Framework for the Conclusion of a Peace Treaty Between Egypt and Israel"—that provided the basis for continuing negotiations.¹

The Middle East framework set forth general principles and some specifics to govern a comprehensive peace settlement. It dealt with the future of the West Bank and Gaza, calling for a transitional period of no more than five years; the Israeli military government would be withdrawn upon the creation of a self-governing authority freely elected by the inhabitants of these areas, although the Israeli military would remain in specified areas in the West Bank and Gaza to ensure Israel's security. Negotiations to determine the final status of the West Bank and Gaza and Israel's relations with Jordan, based on United Nations Resolution 242 and Israel's right to live within secure and recognized borders, were also provided for. The Egyptian-Israeli framework called for, inter alia, the eventual Israeli withdrawal from all the Sinai Peninsula and the establishment of normal, peaceful relations between the two states.

The focal point of post-Camp David activity was to convert these documents into peace treaties through a process of continuing and broadened negotiation. But

despite substantial United States effort to secure the involvement of other Arab states (especially Jordan and Saudi Arabia), no other Arab state agreed to participate in the negotiations nor would they encourage or endorse the peace process. Therefore Egypt and Israel concentrated on the construction of an Egyptian-Israeli peace treaty that might serve as the cornerstone of continuing activity. After their substantial effort and the personal intervention of President Carter, a treaty was concluded and signed at the White House on March 26, 1979.

The Egyptian-Israeli peace treaty was a significant accomplishment, a first step toward a comprehensive Arab-Israeli settlement and reasonable stability. Egypt and Israel set for themselves the goal of completing the negotiations within one year, and it was understood that the United States would be a "full partner" in the negotiations.

On May 25, 1979, in keeping with the previously agreed timetable,² Egypt and Israel opened negotiations in Beersheba, Israel, to discuss the West Bank and Gaza. The goal of the first stage negotiations was full autonomy for the people in the West Bank and Gaza under a freely elected self-governing authority that will serve for a transitional period of not more than five years. The final status of the West Bank and Gaza was reserved for a second stage of negotiations—to begin as soon as possible but not later than three years after the self-governing authority was inaugurated.

In 1980, various representatives of the parties met at several locations to continue the discussions. The issues were complex and there were constant breakdowns. Expressions of optimism, pessimism and skepticism continued. Despite some progress, President Sadat suspended Egyptian participation in the talks in mid-May, 1980, ostensibly because an Israeli parliamentary resolution declared that Jerusalem was the eternal capital of the Jewish state.

Egyptian spokesmen accused Israel of creating conditions that prevented "a suitable atmosphere for negotiations." Sadat noted that he wanted time to evaluate past and future progress; he seemed to be motivated by other factors, including the general lack of substantive progress, a desire to concentrate on the reorganization of his government, an effort to stimu-

¹They also agreed to a series of accompanying letters clarifying the stand of Israel, Egypt and the United States on certain issues. For the texts of the accords and the letters, see, *Weekly Compilation of Presidential Documents (WCPD)*, September 25, 1978, pages 1519ff., 1527ff., and 1566ff.

²The treaty was ratified in April, 1979.

late further United States pressure on Israel, and a need to protect his inter-Arab posture. After some United States efforts, the negotiations were resumed in mid-July, but on August 3 Sadat informed Begin that the talks would be postponed. The stated reason was the final passage by Israel's Parliament on July 30 of a law confirming Jerusalem's status as Israel's "eternal and undivided capital."³

DIVERGENT POSITIONS

The Israeli and Egyptian failure to reach agreement by the May, 1980, deadline and the May and August suspensions of negotiations reflected the complex nature of the issues and the widely divergent positions of the two states.

At the time of the May deadline, the negotiations had made some progress in translating the concept of "full autonomy" from paper to reality. On peripheral and essentially technical matters substantial agreement had been reached, but central problems remained unresolved. Much discussion focused on the problem of how to divide responsibility for internal and external security in the West Bank and Gaza. Israel's security and its protection from external attack had to be assured by the Israel Defense Forces (IDF), while the "strong local police force" of the self-governing authority had to have some role in internal security and public order. Egypt and Israel could not agree on the extent of the powers of the self-governing authority; Israel was clearly concerned that the Egyptian proposal would lead to the establishment of a Palestinian state, which Israel opposed.

Israel argued that autonomy should be limited to the inhabitants of the territories while Egypt believed that it should extend also to the actual territory. Israel saw the self-governing authority as an administrative council, while Egypt wanted this authority to have full legislative and executive authority as well as control of the administration of justice. Egypt sought a self-generating authority and the transfer to it of all powers from the military government. Israel sought to limit the powers of the authority through negotiation and believed that the military government should be the source of authority.

There was also discord on the sharing of the scarce water resources of the West Bank, the right of the Arabs of East Jerusalem to vote on questions relating to the self-governing authority, the status and use of

private and public lands, and the question of Jerusalem's final status.

Egypt has tried to achieve overall peace by solving the Palestinian problem, which Sadat regards as the "crux" of the conflict. The Egyptian proposal has various components, including the total withdrawal of Israel from the occupied territories (including East Jerusalem), the dismantling of Israel's settlements in the territories, and the right of the Palestinians to self-determination. Egypt seeks to safeguard its leading Arab world position and to remain a part of the Arab community. Thus its negotiating position is based on many considerations, including a desire that its peace treaty with Israel will become part of a broader settlement; the autonomy negotiations are therefore essential. It is important to Egypt to demonstrate that Sadat's approach is practical; thus Sadat has tried to avoid action that might undermine the Camp David process. Egyptian criticism of Israel has been somewhat muted, and the Egyptians have generally been cooperative in the implementation of the Egyptian-Israeli treaty and the autonomy talks.

Egypt's stake in the Camp David accords and the bilateral treaty derives from Sadat's interest in peace. This, in turn, is a result of his recognition of the futility and the cost of war with Israel. There is, therefore, a broad Egyptian interest in the continuation of the process (an interest shared by Israel for many of the same reasons). More tangible and practical interests have been served as well. Sadat has secured Israeli agreement for total Israeli withdrawal from the territories in Sinai that were occupied during the 1967 war and the dismantling of Israeli settlements in those areas.

At the same time, Egypt faces Arab critics at home and abroad. Some have argued that neither external nor internal threats to Sadat's posture are critical and that criticism need not deter Sadat from pursuing a course which is in the best interests of Sadat and Egypt. In any event, Egyptian isolation in the Arab world is not complete, and there are many examples of violations of the Arab opposition to Egypt.

Israel sees an agreement on autonomy as a practical solution to the status of the Palestinian Arabs, responsive to Israel's need for security, Egypt's wish to adhere to the Arab cause, and the Palestinian Arabs' desire to govern their own affairs. Israel's proposed autonomy plan would allow the Arab inhabitants fully to manage "areas of legitimate internal administration" while Israel "will retain those powers and functions which are essential to her defense and security." By contrast, Israel has opposed Egypt's proposals on autonomy partly because they "would set in motion an irreversible process which would lead to the establishment of an independent Arab-Palestinian state."⁴

Arab hostility to the autonomy process is a logical

³The Knesset bill was proposed by Geula Cohen, a right-wing member of Parliament seeking to undermine the Camp David process and to embarrass Prime Minister Begin. Despite strong criticism of the bill as unnecessary, meaningless and harmful, no real opposition to it could be expected. It was passed by a vote of 69 to 15 on July 30, 1980.

⁴Embassy of Israel, Washington, D.C., "Policy Background: Autonomy—The Wisdom of Camp David," May 2, 1980, p.2.

outgrowth of opposition to the Camp David accords and the Egyptian-Israeli peace treaty, given added weight by the forces associated with Iran's revolution. United States policymakers had erroneously assumed that the relatively moderate and pro-Western governments of Jordan and Saudi Arabia would be helpful in the process of converting the Camp David accords into Arab-Israeli peace treaties. But both Saudi Arabia and Jordan had an initially negative reaction to the Camp David accords partly because of the accords' ambiguity on the Palestinian issue, silence on Jerusalem, and questionable overall utility. Although neither state saw any reason to join the process, they stopped short of outright rejection.

Over the months that followed the Camp David meeting both Saudi Arabia and Jordan hardened their positions and participated in the Arab summit conference in Baghdad in November, 1978. Despite initial expressed misgivings about attempts to isolate Sadat, in the end Saudi Arabia joined other Arab states and accepted a resolution that not only denounced the Camp David accords, but also threatened Egypt with political and economic sanctions if it signed a peace treaty with Israel. In accepting such a treaty, charged the other Arab states, Egypt was breaking Arab ranks; it would also contravene resolutions of the Algiers and Rabat summit conferences by failing to insist on Palestinian self-determination under Palestine Liberation Organization (PLO) auspices. Saudi Arabia lined up with the more radical Arab states that might pose a direct threat.

The Egyptian-Israeli treaty was followed almost immediately by a second Baghdad Arab summit meeting, ostensibly convened to implement the resolutions of the first. Once again, moderate statements expressed both dissatisfaction with Sadat's diplomacy and reluctance to isolate him or punish him too much. Once again, the Saudis eventually went along with reprisals against Egypt—including the rupture of diplomatic relations and multilateral economic assistance—after renewed radical exhortations.

Jordan's King Hussein objected to the Camp David process for several reasons. His position was especially sensitive because of his sizable Palestinian population, the role envisaged for him by the Camp David accords in negotiations on Palestinian "autonomy," and his susceptibility to various forms of pressure from neighboring Syria and Iraq. The overthrow of the Shah in Iran, the enhancement of the PLO's regional position, and the lack of any support for a different stand all reinforced Hussein's "rejectionist" attitude. By the time the Egyptian-Israeli peace treaty was signed, his initially cautious and noncommittal approach to Camp David had been replaced by the view that it was unacceptable.

But there is a continuing debate with regard to the

Jordanian relationship with the West Bank. Despite formal positions that support Palestine Liberation Organization (PLO) rule in territories returned by Israel, some continue to see the future of the West Bank in terms of Jordanian control. The reasoning revolves around the need to restore Jordan's image and prestige; close links between the populations in the East and West Banks; and the federation plan King Hussein formally proposed as early as 1972.

Jordan's perspective takes these factors into account. It has not joined in the autonomy talks despite efforts to convince King Hussein to participate. Jordanian opposition has been manifest in numerous ways including improved relations with the PLO, cooperation with rejectionist Arab countries (i.e., Syria, Iraq) and siding with the opposition at the Baghdad summit meeting.

The PLO's position continues to revolve around the Palestinian National Covenant and its various amendments, both formal and informal. At the heart of this posture is the view that the 1947 partition of Palestine and the establishment of Israel "are fundamentally null and void."⁵ The PLO's operational approach involves two stages. In the first phase, control will be established in any part of Palestine restored to PLO/Palestinian control. In the later stage, a Palestine state is the objective. In the more recent period there have been some signs (albeit vague and conflicting) that perhaps, and probably only temporarily, the PLO might accept less than total control of all Palestine and the consequent elimination of Israel.

The PLO has opposed the Camp David accords, the Egyptian-Israeli peace treaty and the autonomy talks, partly because they legalize the Israeli occupation and do not grant the right of self-determination to the Palestinians. Underlying the PLO view is its interest in establishing a PLO-led and controlled state in the West Bank and Gaza Strip.

The Palestinians in the occupied territories (West Bank and Gaza Strip) have a more direct interest in the autonomy process. Their views are not easy to identify because they lack accepted leaders, although their mayors are an important element. Local perspectives are greatly influenced by outsiders, particularly the PLO and Jordan. A common denominator appears to be the demand for the withdrawal of Israel's forces and the establishment of an independent Palestinian state, the exact status and nature of which remains ambiguous. The autonomy process is judged in light of its contribution to the achievement of this goal.

THE UNITED STATES POSITION

The United States, especially in the administration of President Carter, has continued to view the Camp David peace treaty approach as valid for the ultimate

⁵Palestine National Covenant, paragraph 19.

resolution of the conflict and preferable to any suggested or probable alternatives.⁶ In part, this perspective flows from the direct and extensive involvement of the administration in the peace process since its January, 1977, inauguration.

The Carter administration, like those that preceded it, adopted as a primary objective the termination of the Arab-Israeli conflict, in order to achieve regional peace and stability and to protect United States interests in the region and beyond.⁷ Underlying the administration's approach was the view that the time had never been more propitious to work for a settlement and that to lose the opportunity could be disastrous. More specifically, a Middle East settlement was seen as essential for a more peaceful world. The threat of global confrontation and the risk of nuclear war were real; inaction might also have profound economic consequences.

Despite its consistent goal, the United States was not consistent in method or approach. However, the Carter administration developed a policy whose content could be identified with some clarity; its focal point, at least at the outset, was to reconvene the Geneva conference of 1973. But the slow and methodical United States approach was overtaken by Sadat's declaration in the fall of 1977 that he was prepared to go to the Israeli Parliament to discuss the conflict. The Sadat initiative set in motion the process that led eventually to the Camp David accords and the Egyptian-Israeli peace treaty, and these then became the focal points of the United States effort.

The United States has attached great importance to the autonomy talks and to the Camp David process in general. In keeping with President Carter's views, he appointed Robert Strauss and later (after Strauss's shift to the chairmanship of Carter's reelection effort), Sol Linowitz, as his special negotiator. The United States efforts, under Ambassadors Strauss and (particularly) Linowitz and their teams of specialists, have been indispensable to the continuation and the success of the Camp David approach. The United States has worked to ensure meaningful progress toward a settlement and to that end has expended substantial resources. The effort has been justified in terms of its contribution to regional and international peace and

stability but it has also served United States interests and has enhanced the personal prestige of President Carter. The Carter administration's stake in the Camp David process thus contained elements of diplomatic-political importance to the United States and of personal-political significance to the President.

THE EUROPEAN INITIATIVE

The suspension of the talks in May, 1980, just prior to the self-imposed one-year deadline, generated regional concern and contributed to increasing international apprehension.

In June, 1980, the Europeans, building on earlier efforts, added their weight with a declaration following a comprehensive exchange of views by the European Community on the Middle East during the European Council's Venice meetings. Their perspective reflected the view that "growing tensions affecting this region constitute a serious danger and render a comprehensive solution to the Israeli-Arab conflict more necessary and pressing than ever." They argued that traditional ties and common interests link Europe and the Middle East and that because of this combination they felt obliged to play "a special role and . . . to work in a more concrete way."

Their approach was to be based on many previous statements and on United Nations resolutions 242 and 338 and they would seek to promote two principles:

The right to existence and to security of all the states in the region, including Israel, and justice for all the peoples, which implies the recognition of the legitimate rights of the Palestinian people.

A number of other principles were stated. The Europeans argued that the Palestinian people and the PLO "will have to be associated with the negotiations." They opposed efforts to change the status of Jerusalem and declared that Israeli settlements in the occupied territories were obstacles to peace and that Israel's military occupation should be ended. To these ends, they decided to make contacts with all the parties concerned and, in light of those consultations, to "determine the form which such an initiative on their part could take."

The president of the European Community's Council of Ministers, Luxembourg's Foreign Minister Gaston Thorn, headed a fact-finding mission to the Middle East in August, 1980, designed to assess the possibility of replacing Camp David with the Europe-

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⁶In an address before the Washington Press Club on June 9, 1980, Secretary of State Edmund Muskie noted: "... the Camp David process . . . has brought us closer to a settlement than at any time in the past." Text in Department of State, *Current Policy*, no. 188, June, 1980, p. 1.

⁷For a detailed examination of previous efforts, see Bernard Reich, *Quest for Peace: United States-Israel Relations and the Arab-Israeli Conflict* (New Brunswick, New Jersey: Transaction Books, 1977); Reich, "The United States and the Middle East," in *The Political Economy of the Middle East: 1973-1978* (U.S. Congress, Joint Economic Committee, 1980), pp. 373-399; Reich, "The Evolution of U.S. Policy in the Arab-Israeli Zone," *Middle East Review*, vol. 9 (spring, 1977), pp. 9-18.

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"Overall, the Saudi political system is stable. Various factions are in equilibrium and, despite the indication of future problems, Saudi Arabia will probably not face violent social change in the immediate future. This does not mean that there is no opposition; recent events indicate that an opposition exists, but because the country is a closed society it is difficult to evaluate its strength."

Saudi Arabia's Foreign and Domestic Policy

BY RAMON KNAUERHASE

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UNTIL the mid-1950's, Saudi Arabia was an unimportant power in regional and world politics. Its leadership was primarily concerned with the consolidation and integration of Abd al-Aziz's conquests into a cohesive state under the al-Saud family. Except for the Aramco connection, international contacts were few. The first significant contact with a Western power came in 1914, when Abd al-Aziz's conquest of the al-Hasa region in 1914 brought him into contact with British interests in Kuwait and the Trucial sheikhdoms. In 1932, Prince Faisal led a government delegation to the Soviet Union, and the first important communication with the United States took place in February, 1945, when President Franklin D. Roosevelt and King Abd al-Aziz met on the cruiser *Augusta* in the Suez Canal.

Today, the kingdom is an important regional and global power. Its vital interests are affected by an interrelated complex of regional forces and superpower actions, and its major policy concern is domestic and external security. In the region, it faces direct challenges on its territory and indirect outside threats to its internal tranquility. Globally, the ever decreasing supply of crude oil has made Saudi Arabia a factor in superpower rivalry. Indeed, some analysts believe that the Soviet Union's occupation of Afghanistan is only its first step in a possible grab for Saudi Arabia's oil wealth.

Since 1953, Saudi Arabian foreign policy has been designed to maintain a balance among the various radical Arab factions threatening its national security, to advance the cause of Islam, to limit superpower influence in the Middle East as much as possible, and to return Palestine to Arab control. In the process, Saudi Arabia has become the leader of the conservative elements in the Islamic world. The means to this end have been the strengthening and advancement of the neo-fundamentalist movement in Islam as an alternative to the alien, socialist model imported from Europe by the radical nationalists. Since 1964,

the thrust of Saudi policies has been to substitute an Islamic ideology for radical Western ideas and to make that ideology the basis for intra-Arab and intra-Muslim relations as well as the Muslim world's common bond in its dealings with the rest of the world.

Saudi policy has consistently tried to prevent union among the Arab states. Saudi pressure has transformed the Arab League from "a vehicle for the promotion of Arab union to a forum where several independent sovereign states are vying with each other for the protection of their territorial integrity and national interest."¹

Despite their many divisions, the feuding Arabs have united in their opposition to Israel. Indeed, the first major all-Arab conference was convened in December, 1963, to discuss ways of blocking Israeli attempts to divert water from the Jordan River. The Israeli question was a weak catalyst, and Arab unity was not achieved. The humiliating military defeat of June, 1967, changed Arab attitudes and the Arabs began to play down their ideological differences. King Faisal exploited this trend. At the Khartoum Conference, he promised Egypt, Jordan and others generous subsidies to rebuild their shattered armed forces. In return, Nasser toned down his propaganda and stopped his attacks on the royal family. Recovery of the lost territories, rather than social reform, became the focus of Arab policy. The deemphasis of ideology continued after Nasser's death; ideological differences with regard to social reform are no longer an obstacle to Arab cooperation. On the contrary, common Islamic-Arab religious and cultural ties are apparently becoming the basis for regional cooperation.²

ISLAMIC POLICY

Wahhabism and oil are the foundations of the kingdom, and they are also the basis for its Islamic policy. Abd al-Aziz ibn al-Saud, the creator of Saudi Arabia, used the fanaticism of the *ikhwan* (settled bedouin soldiers) to unite the feuding desert tribes when he created Saudi Arabia. During the nineteenth century Europe invaded the Arab world, and in time European ideas diluted Islamic values. To counter

¹A. R. Kalidar, "The Problem of Succession in Saudi Arabia," *Asian Affairs*, vol. 9, no. 1 (1978), p. 27.

²Detlev H. Khalid, "Das Phänomenon der Re-Islamisierung," *Aussenpolitik*, vol. 29, no. 4 (1978).

this trend, intellectuals turned to the fundamentalist doctrines of Muhammad ibn Abd al-Wahhab and Muhammad ibn Ali al-Sanussi and started a neo-fundamentalist movement that called for the supremacy of the Sharia (Muslim sacred law), promotion of Islam everywhere, Muslim solidarity and hostility to non-Muslims.³

Almost as soon as Atatürk had abolished the Sultanate, Sherif Hussain, the last Hashemite ruler of the Hejaz, sought support for the title "King of the Arabs." He claimed some of the authority of the Caliphate to win Arab and Muslim support in his struggle with Abd al-Aziz, who was about to occupy Mecca and Medina. In June, 1924, Prince Faisal, appointed by his father as Viceroy of Hejaz, raised the question of the renewal of the Caliphate. He rejected Hussain's claim and pointed out that any Muslim had a right to the Caliphate and suggested an all-Islamic conference to discuss this vital issue.⁴ Two conferences, one in Cairo and one in Mecca, in May and June, 1926, were not very productive, but the first step in Saudi Islamic policy had been taken.

To blunt the force of radical ideology and to diffuse its potential threat to Saudi security, King Faisal focused on Islam as an alternative unifying force. Wahhabi doctrine had had a reforming influence on Islam generally, and Faisal wanted to use the force of conservative Islam to gain security. If successful, many intra-Arab disputes could be submerged in a broader Islamic context. To provide a forum for discussion, the Muslim World League was established in Mecca in 1962.

The movement was overshadowed in the Middle East by the secularism of the radical nationalists, and until 1969 Faisal's call for an Islamic alliance fell on deaf ears. In 1969, Saudi Arabia convened the first Islamic summit conference, an important step in the creation of an institutional framework for an Islamic policy, which was later strengthened by the establishment of a permanent secretariat in Jeddah.⁵

To promote Islam and at the same time to protect

its own security, Saudi Arabia has been actively involved in and has given financial support to many Islamic movements. Financial support has been given to Somalia and the Eritrean rebels, Oman, Pakistan, Bangladesh and Uganda. Somalia has received \$600 million as compensation for the expulsion of Soviet advisers and to strengthen its army in the war with Soviet-backed Ethiopia.⁶ During the Dhofar rebellion in Oman, that country received over \$500 million to facilitate various projects designed to weaken the rebels.⁷ The Saudis consider any Islamic cause worthy of support (which explains the help given to Idi Amin despite his excesses).

In Pakistan, Saudi influence prevented a purge of the fundamentalist Islamic opposition party, Jamat-i Islami, during the Ali Bhutto regime and forced Bhutto to modify his secularization program. It also led to the elimination of Pakistan's Ahmadiya movement, which, despite its fundamentalist doctrine, posed a threat to the Saudi claim to leadership of the Islamic resurgence. Furthermore, it has been suggested that the military coup against the secularizing Ali Bhutto and his imprisonment was at least tacitly supported by the Saudis.⁸ The conservative military regime headed by General Zia ul-Haq is certainly more acceptable to Saudi Arabia than its predecessor, because of its emphasis on Islam and its hostility to non-Muslim ideas. If the new Islamic order works, Pakistan's secular forces will be weakened, and the Saudis will then have proof that Islamic cultural values can be used to create a modern nation state.

In recent years, the Saudi role in the Islamic world has become stronger and more visible. Quietly, behind the scene, King Faisal exploited the symbolism of the kingdom's stewardship over the holy cities of Mecca and Medina. Since his death, however, the Saudi press has "not hesitated to stress the kingdom's role as Caliph, as well as to emphasize its leadership in the Islamic world."⁹

Saudi Arabia's Islamic policy has been successful; the Saudis have been able to strike a balance in the Arab world. At the moment, Saudi Arabia is the acknowledged leader of the conservative forces. Its relationship with Iraq has improved to such an extent that the two nations have developed a joint approach to policy in OPEC and appear to be cooperating in their efforts to contain the revolution in Iran; it has been actively involved in the settlement of the Lebanese civil war; it has succeeded in reducing disagreements among conservatives; and, most important, it has weakened the appeal of radical, socialist pan-Arabism.

There is another reason for the Islamic policy. Despite its huge size and its economic strength, Saudi Arabia is a weak country, and it will be many decades before its economic power will carry political weight. There are at most six million Saudis, who depend in

³For detail see, Khalid, *op. cit.*, and Daniel Pipes, "This World Is Political!! The Islamic Revival of the Seventies," *Orbis*, vol. 24, no. 1 (Spring, 1980), pp. 9-41, especially pp. 10-17.

⁴Tilman Nagel, "König Faisal von Saudi-Arabien und die Islamische Solidarität," *ORIENT*, vol. 17, no. 1 (March, 1976), p. 58.

⁵Udo Steinbach, "Saudi Arabias neue Rolle im Nahen Osten," *Aussenpolitik*, vol. 25, no. 2 (1974), pp. 202-213.

⁶Adeed I. Dawisha, "Internal Values and External Threats: The Making of Saudi Foreign Policy," *Orbis*, vol. 23, no. 1 (Spring, 1979), p. 140.

⁷*Ibid.*

⁸Khalid, *op. cit.*, p. 440; Cyril Pichard, "Change in Pakistan," *The World Today*, vol. 33, no. 12 (December, 1977), p. 450.

⁹Khalid, *op. cit.*, p. 443.

one way or another on at least three million foreigners to develop their economy. Except for crude oil, the economy depends on trade. To give its policy weight it must therefore find a partner among the more populous Arab countries. Any close partnership with Egypt, Iraq or Syria might make Saudi Arabia the junior partner because of its internal weaknesses. However, any one of these connections within the framework of an Islamic policy places considerable constraint on the radical partners. Thus a foreign policy based on Islamic solidarity is the best hope for Saudi Arabia's survival in a hostile world.

THE ARAB-ISRAELI CONFLICT

Saudi Arabia has always been opposed to Israel, and the resolution of this conflict, particularly the expulsion of Israel from the West Bank, has been the centerpiece of its foreign policy. With the possible exception of the current Iraq-Iran war nothing is considered more important than the question of Jerusalem and the West Bank.

Between 1950 and 1967, Saudi diplomacy with respect to Israel was limited to occasional polemics. No significant actions were taken despite pressure from some Arab League states to use the "oil weapon." The first meetings of the Arab oil producers, which eventually led to the creation of OPEC, were called at least in part to explore the use of the "oil weapon" to force international support for the redress of Arab grievances. Passive Saudi support stopped short of active implementation, even during the 1967 war.

The first important step in Saudi Arabia's active involvement in the Arab-Israeli conflict was the Khar-toum subsidies paid to the confrontation states after the June war. The second step was taken at the first Islamic conference, when Saudi Arabia and the other Arab states introduced the Palestinian question into the discussion, with special emphasis on Jerusalem. Since that meeting, to the traditional neo-fundamentalist themes Islamic propaganda has added a strong condemnation of Zionism "as the greatest evil in the world." This gave Islamic policy a focus that overcame some of the liberal misgivings about the fundamentalist nature of this policy.

Saudi Arabia is working to recover all occupied Arab territory from Israel. It has recognized the PLO

¹⁰Quoted in: Thomas Koszinowski, "Die Bedeutung des Nah-Ost Konflikts für die Aussenpolitik Saudi Arabiens," *ORIENT*, vol. 16, no. 1 (March, 1975), p. 98.

¹¹"King Khaled's first policy statement," *Middle East Economic Digest*, vol. 19 (April 4, 1975), pp. 27-28.

¹²Congressional Quarterly, *The Middle East: U.S. Policy, Israel, Oil and the Arabs*, 3rd ed. (Washington, D.C.: Congressional Quarterly, 1977), pp. 55, 56.

¹³A.L. Tibawi, "Jerusalem: The Holy and Noble City," *The Journal of the Muslim World League*, vol. 1, no. 10 (July, 1974), pp. 23-27.

¹⁴*Ibid.*, p. 23.

as the only representative of the Palestinian people and has given it financial and diplomatic support. Whenever possible it has urged observer status for the PLO in international bodies, trying to create a fait accompli and to raise the PLO to such stature that Israel cannot refuse to deal with it. Saudi Arabia's most recent move has been to withhold \$402 million that had been committed for a World Bank loan unless the PLO is granted observer status at the 1980 joint annual meeting of the World Bank and International Monetary Fund. The PLO was denied this status and it remains to be seen if the Saudis will carry out their threat.

Despite its opposition to Israel and its support of the PLO, Saudi policy has become more moderate than that of Libya, Iraq, Syria and Iran since the Iranian revolution. Contrary to King Faisal's pronouncement that "in a final Arab-Israeli peace settlement there [can] be no Jewish state of Israel,"¹⁰ his successor's first policy statement avoided all reference to the destruction of Israel, placing its stress on "the recovery of the occupied Arab territory."¹¹ Since 1977, Saudi spokesmen have indicated that "[H]aving a Jewish state is not an issue" and that "complete, permanent peace and normalization" of relations are possible "if it involves the establishment of a Palestinian state on the West Bank and in Gaza."¹²

Jerusalem is the major obstacle on which all efforts to find a solution to the Arab-Israeli dispute will be shattered. Jerusalem is almost as important to Islam as it is to Judaism. King Faisal was deeply affected by the conquest of East Jerusalem, and its occupation strengthened his commitment to the recovery of the lost territories. The Saudis have developed a strong historical argument, designed to appeal to Christians and Muslims alike, stating that only under Islam can the Holy City be restored to its proper place for the three monotheistic faiths.¹³ All arguments to the contrary are rejected as unimportant and irrelevant. "[T]here can be no peace in the Middle East without restoration of Islamic sovereignty over Jerusalem."¹⁴

It was not surprising that Saudi Arabia failed to support the Camp David approach to the resolution of the Arab-Israeli conflict. In Saudi eyes, the accords gave Israel everything it wanted: it removed Egypt as an active combatant and demilitarized the Sinai, thus relieving the pressure on Israel and giving it an opportunity to consolidate its hold on the West Bank. Furthermore, the omission of Jerusalem from the agenda and the decision to leave its fate until all other problems have been resolved raised the possibility that the status of the city would never be clarified and that it would continue to remain under Israeli control. Crown Prince Fahd's rhetorical question as to why the Islamic world should not prepare for jihad was designed to attract support from all Muslims for the recovery of Jerusalem and the West Bank, thus mak-

ing the Arab-Israeli dispute a global rather than a regional issue.¹⁵ In line with this policy the Saudis will probably continue to try to discredit Israel in the United Nations and other international organizations to isolate that country from the rest of the world.

Jerusalem is the keystone to a Middle East settlement. Given the strong ideological commitment on both sides and the intransigence arising from this commitment it appears that a compromise solution to the Arab-Israeli conflict acceptable to the Saudis will not be reached in the near future and that Saudi Arabia will not join the Camp David talks unless the fate of Jerusalem is included in the discussions. Perhaps there is only one solution—the internationalization of the city imposed on both sides by the rest of the world.

CRUDE OIL AS A POLITICAL WEAPON

The Arabs cannot hope to reoccupy Jerusalem and the West Bank through military action in the near future. To develop the military strength to do so requires more than just the latest military hardware. The Arab armies will become a match for the Israelis only when a thorough social and economic transformation has produced the trained manpower and industrial might necessary to create a modern army capable of sustained warfare. The initial Arab success during the October War of 1973 proved that the Arab nations have the potential to fight a modern war but that a sustained effort is still beyond their ability. This judgment is supported by Iraq's failure to capture Khurramshar and Abadan quickly during the current fighting. Thus their only credible source of strength is the "oil weapon."

Use of crude oil as a political weapon can be effective only if world market conditions are such that a reduction in output by the Arab oil producers leads to shortages in the consumer nations. However, a reduction in output will have two effects: there will be lower revenues for the oil-producing countries and a shortage of oil in the industrial oil-importing countries. In view of the increasing integration of the oil-producing nations into the world economy, a reduction in oil output could adversely affect the economies and investments of the oil-producing nations. Thus, the oil producers must weigh the probable effect of a supply crisis in the consumer nations and the value of

their ability to put effective pressure on Israel for concessions against the possible damage to their own development plans because of lower revenues and possible retaliation against their investments.

In the past, Saudi Arabia has been reluctant to use oil as a weapon. In the early 1960's, several members of the royal family and some high ranking officials in the Ministry of Petroleum and Minerals were purged and some of them were exiled because they demanded the expropriation of Aramco and the use of oil production policies as a means to gain pan-Arab political goals. Instead Saudi Arabia negotiated quietly and patiently to adjust certain inequities in its contracts with Aramco; even the June, 1967, war did not induce the Saudis to interrupt deliveries. The world supply of crude was plentiful; a reduction of Saudi output would not have had the desired effect on the consuming nations; and the loss in revenues would have retarded domestic economic development.

The budget crisis of 1969-1970 caused by the Khartoum payments and the 1968 decision to accelerate economic development required more revenue. To earn revenue, output was increased from an average daily production rate of 3.21 million barrels of oil in 1969 to 8.32 million barrels in 1978 and 9.3 million barrels for the first two quarters of 1979.¹⁶ Except for the October War, there has been no convincing evidence that Saudi Arabia is willing to use crude oil output as a weapon in the political arena. In fact, there is some evidence that it even violated the embargo during that war.¹⁷ The increase in the production ceiling from 8.5 mbd to 9.5 mbd to offset the loss of Iranian output has been presented as a magnanimous Saudi gesture to prevent hardship in the industrial countries, but it has also been interpreted as evidence that Saudi Arabia has to sell all the oil it can produce to finance its domestic development goals, its purchase of military hardware, and its foreign policy goals.¹⁸

The Saudi reluctance to use oil as a weapon has been underscored by recent events. At this writing (October, 1980), there is an oversupply of crude on the world markets, which has forced a temporary moderation of OPEC price policies. The recent war between Iran and Iraq has cut all supplies from these countries; and the damage to both countries' refineries indicates that their supply will not come on stream for some time to come. This might reduce the glut and force concessions from the industrialized nations. Instead, Saudi Arabia announced that it would raise its output to moderate the effect of the Iraq-Iran war.

Saudi Arabia has also been reluctant to use oil pricing to gain political support from Western nations. Within OPEC it has been a moderating force and until recently it has managed to keep the price hawks under control. The Saudi aim during the recent

¹⁵It should be noted that he did not call for jihad. However, it has been reported that King Hassan of Morocco has taken up the idea of a jihad for the recovery of Jerusalem.

¹⁶Saudi Arabian Monetary Agency, *Annual Report, 1399* (1979), p. 137.

¹⁷Eliyahu Kanovsky, "Deficits in Saudi Arabia: Their Meaning and Possible Implications," in Colin Legum, ed., *Middle East Contemporary Survey*, vol. 2, 1977-1978 (London: Holmes and Meier Publishers, 1979), pp. 345-346.

¹⁸For detail see Kanovsky, *ibid.*

OPEC negotiations was to stabilize world crude oil prices and to develop a pricing mechanism that would allow OPEC to adjust prices in quarterly increments to keep the purchasing power of a barrel of oil from declining, rather than to continue to rely on sudden, sharp increases that could destabilize the world economy every year or two. Although the OPEC conference ended without a clear-cut victory for the Saudis, they refused to lower their output to eliminate the temporary oversupply on the world markets.

Saudi Arabia's recent moderation in OPEC has been presented as a concession to the consuming nations in return for which they are expected to exert pressure on Israel. But the real reason for Saudi actions is economic: a stable oil price, rising just fast enough to keep the real value of a barrel of crude oil constant, guarantees orderly markets and makes OPEC's job of price maintenance easier. The Saudi oil minister stated clearly in 1978 that economic, not political, factors determine Saudi oil price policy decisions.¹⁹ The "oil weapon" would be effective but its use would create such havoc in the economies of the producing and the consuming nations that it would more than offset any political gain.

FUTURE DOMESTIC STABILITY

In view of the November, 1979, attack on the Holy Mosque in Mecca and the trials of a group of officers and civilians for plotting to overthrow the government, a discussion of Saudi foreign policy would be incomplete without a glance at domestic affairs.²⁰ It appears that there is no opposition strong enough to threaten the monarch at the moment, but there are indications that rapid economic development and the associated social transformations have created forces in Saudi society which could threaten the survival of the current regime.

Saudi Arabia is an absolute monarchy; but because succession is not based on primogeniture (in Arab tribal society the right to rule passes to the oldest male relative), the King must have the support of the royal family and the Ulama (religious leaders) to gain and hold power. The system has worked well and, despite the fact that the last two transfers of power were associated with potentially destabilizing events, the self-interests of the various factions led to the smooth transfer of power from Ibn-Saud to Faisal and from Faisal to Khalid.

The royal family is divided into two groups. The Sudairi faction, currently led by Crown Prince Fahd, consists of seven princes whose mother was Abd al-Aziz's favorite wife. This group of princes currently

holds most of the important ministerial portfolios and has close relatives in many second-level positions. It is a progressive, reformist group dedicated to rapid economic development to "[I]ncrease the well-being of all groups within the society and foster social stability under circumstances of rapid social change," while at the same time maintaining "the religious and moral values of Islam."²¹

The conservative faction, led by Prince Abdullah, also a son of Abd al-Aziz's but by a different wife, is closely associated with the bedouin traditions of central Arabia. During the 1970's, a third group of individuals appeared, led by Prince Saud al-Faisal, the foreign minister; they are the third generation of the ruling family. Educated in Europe and the United States, they are technically trained; they favor Prince Fahd's policy of rapid economic development; and they are willing to tolerate major social changes in their drive toward modernization.

At the moment, the three factions appear to be in balance. The Sudairi group is clearly in the ascendancy, and the young technocrats of the royal family are following Prince Fahd's lead. Unless the younger members of the family decide that Prince Fahd's leadership is too conservative (which at this time appears to be unlikely), Prince Fahd's succession is assured. Prince Abdullah has a claim to the throne, but he would have to relinquish his post as commander of the National Guard, which would deprive him of his power base. Furthermore, his power base may be declining.

Economic development accelerates the rural-urban shift, and as the rural population moves into the cities its outlook changes. This is particularly true in Saudi Arabia. In the past, the move into the cities did not mean a dissolution of tribal bonds because members of the same family and tribe tended to live in the same neighborhoods. In the last ten years most of the old, tribally oriented neighborhoods have been torn down and replaced by modern apartment dwellings and single homes. In the process, city residents have been dispersed, and tribal relations may have been weakened. In fact, rapid urbanization may be the most significant threat to the royal family's future; to the extent that royal power is based on the tribal structure, the move into the cities will dissolve tribal bonds and thus weaken its base.

(Continued on page 37)

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¹⁹*Ibid.* See also Kalidar, *op. cit.*, p. 28.

²⁰Dawisha, *op. cit.*, p. 134.

²¹Ministry of Planning, *Second Development Plan, 1395-1400 AH.*, p. 14.

"In Israel, a solution to the Palestinian problem is a key both to the achievement of peace and to economic recovery. For an increasing number of Israelis peace has become both a cause and a goal, although peace remains elusive because the Israelis are themselves divided on the solution to the Palestinian question."

Israel in the War's Long Aftermath

BY ALON BEN-MEIR

Author, The Middle East: Imperatives and Choices

BETWEEN 1948 and 1967, Israel enjoyed both political consensus and stable economic growth. Occasional political discord was usually resolved by the parties of the center without strong opposition from peripheral factions. Party discipline took precedence over factional disagreements. However, the period between 1967 and 1973 witnessed the emergence of organized political dissent, the beginning of the collapse of party discipline, and the rejection of traditional Zionist philosophy.

Other questions aside, by itself the acquisition of vast new territories won in 1967 raised serious questions about Israel's national identity and national purpose. Notwithstanding the economic progress made during this period, the 1967 Six Day War and its consequences began to reshape Israel's internal and foreign policies and the character of its political parties. Then came the 1973 war. From 1973 to 1980, the operative consensus was even further eroded: extreme politics were espoused by elements on both the left and the right, and the psychological and political leverage enjoyed by the Labor party since 1948 was abruptly shattered.

The impact of the 1973 Yom Kippur War was not limited to growing political dissent; the war also played havoc with Israel's economy. An estimated war-related loss of \$10 billion in military equipment, economic productivity, outlay of funds and human resources has severely impeded Israel's economic recovery. Egyptian President Anwar Sadat's trip to Jerusalem in November, 1977, introduced a new sense of urgency. Sadat's peace overtures and Prime Minister Menachem Begin's responses introduced a new dimension to Israel's political and economic situation. The conclusion of the autonomy negotiations and the consolidation of the Egyptian-Israeli peace treaty will largely determine not only the future of the Begin government but, even more important, Israel's internal political map and the prospects for its economic recovery.

Political factionalism is inherent in Israel's political system. The Israeli voter casts his vote for a party and not for an individual; thus the Knesset (Parliament) member is accountable to his party and not to the public at large. Moreover, because any faction that

receives at least one percent of the popular vote is entitled to representation in the Knesset, the emergence of splinter political groupings is encouraged. Political philosophies in Israel range from the extreme left to the extreme right, including several religious parties and an unruly gaggle of minor parties (both religious and secular). Israel's political system (based on proportional representation) and the events that followed the Six Day War provided fertile ground for both the rise and the demise of new political parties.

One large social group and two key political movements may now have a decisive impact on Israel's political future. The social group is comprised of the Sephardic Jews of North African and Middle Eastern origins, who together constitute 55 percent of Israel's population. As a result of Israel's socioeconomic and political makeup, for the most part these Jews have been unable to integrate fully into the country's political mainstream. At best, some of their leaders were co-opted to existing parties, and were thereby discouraged from organized political dissent. However, years of disillusionment with the ruling Labor party, coupled with the alienation generated by their perpetually inferior socioeconomic status, by deprivation and by prejudice, provided the impetus for the Black Panther movement, named after the 1960's American black movement. (The name was adopted for dramatic effect.) Although the Black Panthers do not represent the majority of Sephardic Jews, they have been able to raise their political consciousness. During the May, 1977, elections, the Likud Alignment (made up of Begin's Herut Movement and the Liberal party) was able to capitalize on Sephardic discontent and, in fact, to a considerable extent the Likud's victory came from the overwhelming support the party received from the Sephardic Jews. Israel's current President is himself of Sephardic origins, but the group has yet to achieve the power its leaders consider the group's numbers now warrant.

The Democratic Movement for Change (DMC) emerged in the wake of the 1973 Yom Kippur War. Many well-known Laborites, including ex-Cabinet members and ex-military personnel, rallied behind a military hero, Yigal Yadin. Although the DMC's foreign and defense policies were not radically dif-

ferent from Labor's, the party's main goal was an electoral reform that would abolish the multiparty system and reduce the political field to three or four main parties.

Although the DMC was new and disorganized, it was able to attract 11.6 percent of the popular vote and 15 seats in the Knesset. One study of the 1977 election results showed clearly that the Likud's relative margin of victory over Labor was made possible because of the favorable showing of the DMC, which "stole" 70 percent of its support from Labor. After several months of intense negotiation with the Likud, the DMC decided to join a Likud-led coalition government. Although many DMC Knesset members have subsequently defected and have accused Yadin of abandoning the party's philosophy, the DMC will remain a viable political movement. Operating from the center and attracting support from both the left and the right, the DMC is a moderating force in foreign policy, especially on the Palestinian question.

The Gush Emunim (the bloc of the faithful), a post-1967 movement, is a peripheral group, which is drawn from the Israeli political center but attracts support from all segments of the population. The Gush's remarkable success with secular Israelis can be attributed to its resiliency and its ability to speak to those yearning for unconstrained Israeli incorporation of what it calls in Hebrew, "Eretz Yisrael Hashlemah" (the whole of the Land of Israel). Zionism, Gush supporters assert, has failed, because the secularists have attempted to separate the political-national from the religious spheres. Therefore, in order to revitalize Zionism, Zionism itself must go through a transformation. A policy of unrestricted Jewish settlement in the occupied territories has become a way of vindicating the Gush's philosophy since it has been able to demonstrate in words and in deeds the "real meaning" of Zionism.

Both the Labor party and, to a great extent, the Likud itself had serious reservations about the Gush's approach; yet both parties were nevertheless compelled to accede to the Gush's demands, thereby giving the Gush a degree of legitimacy transcending party politics. Although the National Religious party (NRP) acts as the official political representative of the Gush, the Gush was able to influence the government through its massive public appeal.

There are also minor political parties that have influence beyond the size of their constituencies. For example, Uri Avnery's movement, *Haolam Hazeh* (this world), which is anti-Zionist in principle, seeks Israel's economic and political independence from the United States and world Jewry, calls for the separation of "church" and state, and promotes the estab-

lishment of a Palestinian state. *Rakah*, Israel's Communist party, is staunchly anti-Zionist and sides with Moscow. *Rakah* defends the Arab Palestinians living in Israel and exemplifies Arab-Jewish cooperation within the Israeli political system. *Matzpen* (the compass), the Israel Socialist party, gives primacy to the anti-Zionist struggle. To *Matzpen*, the Histadrut (Labor Federation of Israel) is perceived as the greatest evil in Israel. *Moked* (the focus) believes that Zionism is a national liberation movement and that the creation of an egalitarian socialist state is the basis on which the union of the Zionist and the socialist dreams can best be realized.

If the 1977 election was indicative of Israel's political trends, subsequent developments suggest movement toward revolutionary political change, based on newly perceived political imperatives in which the Palestinian question and the future of the West Bank and the Gaza District play a decisive role.

In fact, disagreements within the Begin government over the future of the West Bank and the Gaza District and the interim policies precipitated the resignation of Foreign Minister Moshe Dayan in October, 1979, followed by the resignation of Defense Minister Ezer Weizman in May, 1980. In the process, Finance Minister Simcha Ehrlich was also pressured to resign, primarily because of mounting economic difficulties. It may be that Begin missed an opportunity for peace, as Weizman claimed; it is possible that the expropriation of Arab-owned land precipitated an intra-Cabinet crisis; and perhaps Begin's inability to take unilateral action in the West Bank and the Gaza District and thus effect a breakthrough in the deadlocked negotiations contributed to the mass defections. In any case, revolutionary change in Israeli politics seems to be in the making.

ISRAEL'S ECONOMIC MALAISE

Israel's economy is based on limited natural resources and a highly skilled populace. Between 1948 and 1973, Israel's gross national product (GNP) increased by 10 percent annually.¹ While Israel's exports increased by 15 percent per annum (with minor fluctuations), its expanding productive capacity led to a substantial increase in its stock of physical capital. This was also reflected in the growth of the labor force. However, since 1948 Israel has had a continuous excess of imports over exports. Between 1948 and 1967, the economy showed steady improvement, and the negative trade balance declined from 26 percent of the GNP in 1952 to 14 percent by 1966. However, the 1967 Six Day War and the subsequent 1973 Yom Kippur War changed this trend dramatically. The negative balance jumped to 26 percent by 1970 and to 36 percent by 1976. Although the negative import balance declined to 27 percent by 1977, the trade deficit remains high, particularly since the

¹Statistical sources are: *The Bank of Israel Reports*, 1979; *Reports of the Israeli Bureau of Statistics*, 1979; and *Congressional Reports*, 1979.

demand for consumer goods continues to climb. Add to this dismal picture the constant outlay for expensive military hardware and the reduction in the rate of production, compared to the pre-1973 war period. Finally, extended military duty after the 1973 war further reduced the manpower days available per year for productive output.

Five factors are responsible for Israel's economic malaise. First, Israel's economy is dependent on the influx of foreign capital. This transfer of capital comes from four different sources: world Jewry; the United States government; World War II reparations and restitution from West Germany; and other sources. American and world Jewry account for the bulk of Israel's foreign capital, estimated to have peaked at \$5 billion in 1980. Since 1975, United States aid to Israel has exceeded half Israel's total foreign capital. The gap between foreign capital and import surplus continues to grow. Israel's foreign debt now exceeds \$10 billion (nearly equal to Israel's 1979 gross national product), and the country's ability to finance this growing discrepancy by short-term borrowing and the use of foreign exchange reserves is nearly at an end.

Second, Israel's astronomical military cost of maintaining a combat-ready army (in effect, a non-productive investment), has aggravated its condition. It was estimated that, between 1973 and 1978, Israel spent between 30 and 42 percent of its annual budget on defense. Although the Egyptian-Israeli peace treaty was expected to reduce Israel's military expenditures, such reduction to date has been nominal, particularly since Israel's northern frontier now requires a greater outlay for defense.

Third, Israel's inflationary spiral has reached epidemic proportions, estimated at 135 percent in 1980. In addition to military needs, Israel's outlays for oil have increased dramatically, especially since the surrender of the Sinai oil fields to Egypt in mid-1979. It is estimated that Israel will have to spend in excess of two billion dollars for oil in 1981. Inflation is directly related to other economic factors, like trade deficits and military expenditures; however, Israel's inflation rate was caused in large measure by a steady increase in consumer spending, which is encouraged by the government. Further, a vast social service bureaucracy has increased government spending above revenues, adding to inflation.

Fourth, with consumer spending encouraged by the government and the annual rate of interest on government loans less than the annual inflation rate, borrowing from the government and delayed repayments have become a way of life. The Labor government directly contributed to the economic chaos. According to the Bank of Israel, by 1976 Labor government-backed financial institutions had granted 600,000 housing mortgages on which the rate of interest was

²The Jerusalem Post, July 15-21, 1979.

not linked to inflation. It was estimated that the number of borrowers is large enough to elect one-third of the Knesset. The Labor government apparently wanted to create a "debt mentality" sufficiently extensive to help keep the Labor party in power, despite the fact that the cost of maintaining this huge debt consumed more than one-third of the budget. The government has also caused economic hardship by subsidizing major consumer commodities.²

Fifth, the Histadrut, Israel's Labor Union Federation, may also be one of the major causes of Israel's endemic economic problems. Established in 1920 to protect its members, the Histadrut gradually developed into an all-embracing welfare agency, providing a formidable array of social, health, and other services, which made its members almost absolutely dependent on its goodwill. In the last three decades, the Histadrut has created major financial enterprises that have touched on every aspect of Israel's economy. Moreover, given its close association with the Labor party, the Histadrut became an extension of the Labor government when it was in power, often acting in concert with and serving the Labor party.

Another factor that inadvertently contributed to the country's general economic instability was the floating of the Israeli currency, a move intended to devalue the Israeli pound and help it find its true value on the international market. Once the Likud came to power and Prime Minister Begin implemented this policy, the official value of the dollar (against the Israeli pound) shot up 50 percent.

Although few nations enjoy total economic and political freedom, Israel is particularly sensitive to external forces that directly influence its political and economic life. Existing in a de facto state of war since 1948, Israel had to develop economic and political mechanisms flexible enough to meet all contingencies. Theoretically, a country in a state of war can afford neither political fragmentation nor economic dislocation; Israel, however, was highly successful in defying both political and economic realities. The Arabs' refusal to recognize Israel, their threats to dismantle the state, and their effective economic boycotts all forced Israel to improvise means to ensure both security and relative economic prosperity.

In formulating both foreign and domestic policies, the Israeli government has had to consider a wide range of circumstances. The almost endemic unpredictability of politics in neighboring Arab countries has made it virtually impossible (with the Egyptian exception) for Israel to deal with its neighbors except on the basis of very short-range considerations. Mature political processes that provide legitimate succession to power are virtually nonexistent among the Arab states. Twenty-five years of friendship between Iran and Israel and between the United States and Iran ended abruptly with the Iranian revolution

and the ascension of the Ayatollah Ruhollah Khomeini. Military coups and countercoups have afflicted almost all the Arab Muslim states of the area.

There are conflicting territorial claims between Iran and Iraq, Iraq and Kuwait, and Syria and Lebanon. The Iranian-Iraqi war, in progress at this writing, poses a serious threat to the entire region, and Israel will be affected regardless who wins. An Iraqi victory could help Iraq emerge as the leader of the Arab world, a development that could adversely affect both United States and Israeli interests. The closure of the Strait of Hormuz by either side could cause oil shortages that would eventually affect Israel's oil supplies.

Soviet policies in the Middle East are based on and nourished by political instability and designed to serve expansionist ambitions. The strategic and economic importance of the region makes it an area for competition between the superpowers, creating further anxieties and uncertainty. As an American ally, Israel is inadvertently drawn into the superpower struggle for influence in or domination of the Middle East.

In addition, the Islamic fundamentalists in Iran and Libya, the governments of Syria, Iraq and Algeria, as well as the Palestine Liberation Organization (PLO), all share an intense hatred of Israel and are committed to the liquidation of the Jewish state.

Finally, Israel's "special relationship" with the United States and the United States Jewish community (from which Israel receives the bulk of its foreign capital) has a very significant impact on Israeli policy-makers. Because of its size and its traditional political and financial support of Israel, the American Jewish community is viewed by Israeli politicians as an extension of its political constituency. This has sometimes irritated American governments seeking favor with Arab states; as a consequence, the "special relationship" has recently been subject to severe strains.

Israeli-Arab relations have shaped and will continue to shape Israel's politics and economy. The 1967 and 1973 wars, followed by Sadat's peace initiative, introduced a new dimension to Israel's political outlook. The Zionist ideal was subjected to intense discussion; it has become a target for leftist criticism and has been embraced again by the right as a tool for continued Jewish redemption. The four Arab-Israeli wars and their aftermaths provoked the Israelis to reevaluate old philosophies and reexamine old commitments. The effect has been cumulative. The heavy price of Israeli security, the psychological and emotional pressure created because of uncertainty and anxiety and the general disappointment with government policies have awakened the average Israeli to unpleasant reality.

Although the Israelis understand the financial

burden needed for their defense, they are bewildered by the government's economic policies. The Egyptian-Israeli peace treaty, which presumably should have provided some economic relief, imposed further economic hardship. The cost of imported oil jumped tenfold, and the cost of Israeli withdrawal from the Sinai, although partially subsidized by the United States, added \$7 billion to the already overburdened Israeli economy.

Economic reform, however, cannot be successfully implemented in Israel unless political rivalry, blind ambition and rampant factional antagonism are drastically mitigated or eliminated. Political reform, for example, must include reducing the number of political parties to three or four. The political consensus that largely prevailed in Israel between 1948 and 1967 cannot be restored without drastic political change. No future Israeli government can hope to achieve a satisfactory solution to the Palestinian problem and negotiate a peace agreement with Israel's other Arab neighbors without receiving a clear mandate based on the consensus of an absolute Israeli majority.

Peace will open new markets for Israeli products, thereby substantially reducing or eliminating the perennial trade deficits, and peace will enhance the tourist industry, which has the potential for providing foreign exchange of between \$1.5 billion and \$2 billion annually. With peace, water and land development projects will increase Israel's food production, thereby increasing its food export capability.

The future of the Begin government and most of Israel's political parties may very well rest on the outcome of the autonomy negotiations with Egypt and the prospects for a comprehensive peace settlement. Whether Begin's coalition government falls prematurely or whether the Likud loses the scheduled November, 1981, elections, the next elections will produce a new political grouping. Although it is likely that the Labor alignment will be elected, its term in office may well be temporary, particularly if Labor remains committed to the qualified territorial concessions that have already been flatly rejected by Sadat and the Palestinians.

Almost certainly, Israel will experience extensive economic and political turmoil in the next few years. A solution to the Palestinian problem is a key both to the achievement of peace and to economic recovery. For an increasing number of Israelis, peace has become both a cause and a goal, although peace remains elusive because the Israelis are themselves divided on the solution to the Palestinian question.

(Continued on page 40)

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"If the government which came to power in Turkey in September, 1980, does not act with undue haste and seeks to mitigate Turkey's economic and socioeconomic as well as its political and military difficulties, it may prove to be the most effective government Turkey has seen since the time of Atatürk."

Turkey in Crisis

BY MORRIS SINGER

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IN many respects, Turkey resembles other Middle Eastern countries. The vast majority of its inhabitants are Muslims; it has geopolitical significance (although because of its particular location rather than as a result of its resources); its recent history has been turbulent.

On the other hand, it differs in important ways from many Middle Eastern nations. Turkey is one of the few countries in the region which is non-Arabic. This and its European involvement have contributed to the sense of isolation which it has at times experienced in its foreign affairs. Partially European in its location, Turkey is frequently European in its orientation. It is a member of the Organization for Economic Cooperation and Development (OECD) and the North Atlantic Treaty Organization (NATO) and is an associate member of the European Economic Community (EEC). Its hope for full-fledged membership in EEC by the 1990's has spurred its economic growth, as has West Europe's higher standard of living.

Turkey is a secular state and a constitutional democracy. State and religion have been separated since the 1920's, when Turkey's great leader, Kemal Atatürk, revolutionized the theocratic society. It has had a multiparty system since 1946, when President İnönü, once Atatürk's right-hand man, carried out his leader's long-term strategy. The country's democracy has been a target for leftist and rightist elements in recent years.

The military in Turkey operates under the Kemalist, i.e., Atatürk, tradition, according to which the armed forces serve the country under the control of a civilian government and act as the guardian of the

nation's democracy. Since Turkey became a republic in 1923, the military has intervened on a caretaker basis three times. The most recent intervention came in September, 1980, after the military had warned the political parties repeatedly about their inadequate responses to Turkey's manifold problems and had indicated its opposition to communism, fascism and Islamic fundamentalism, each of which has received support from minority groups.¹ All told, the military has tended to enhance the stability of the nation.

Finally, unlike many other Middle East countries, Turkey produces only about 15 percent of its crude oil. This has contributed materially to its recent economic woes.

During 1960-1980, Turkey had about half a dozen minor parties and two major ones, the Republican People's party (RPP) and the Justice party (JP).² For the half century after its founding until 1972, the RPP tended to be elitist. In 1972, however, Bülent Ecevit succeeded İsmet İnönü as the president of the party and immediately proceeded to broaden its base and to give it a more popular appeal. In the 1970's, the RPP was decidedly left-of-center and social democratic.

The JP selected its name not because of its commitment to social justice—would that it had—but because of its firm intent to bring "justice" to the members of the defunct Democratic party of the 1950's, many of whom were still in prison. Its undisputed leader is Süleyman Demirel, who has served as Prime Minister about three-fifths of the time between 1965 and 1980. He essentially represents Turkey's industrialists and wealthy farmers, although he also has a following among the peasants and other members of the electorate. He has been committed to rapid growth to improve Turkey's prestige and military-economic strength and to enhance the profits of his major supporters. On the other hand, he has eschewed reforms in such areas as taxation, land tenure, and education, and he has minimized institutional changes. Except in rare instances in which he sought to "steal the thunder" of the opposition, he has circumvented policies that could reduce the inequality of income distribution.³ Until early 1980, he was loathe to undertake the politically unpopular acts that were necessary to counter inflation. He has reduced

¹The Communist party as such has been outlawed in Turkey.

²Several of the particulars in this section, such as numbers, are based on various unsigned articles in *The New York Times* over the past several years. The same applies to some portions of the remaining sections, though to a lesser degree.

³According to the World Bank, *World Development Report*, 1979, p. 173, table 24, the highest 20 percent of the income recipients in Turkey received as much as 56.5% of the total household income in 1973. Demirel was certainly not solely responsible for this distribution, but just as surely his policies contributed to it.

the effectiveness of institutions like the State Planning Organization and the Central Bank by filling their top positions with acting heads; he has formed a government with a minor fascist party in order to assume and hold power. Similarly, he has demonstrated little ability to reduce the incidence of political violence.

It was around 1968, after Demirel and the JP had been in power a few years, that the left began to react to Demirel's narrow view of development. The university students were among its most militant and visible members. Initially, they concerned themselves with university reform, but when the Demirel-led government did not respond to their strikes and demonstrations other than to send out the police, they became increasingly politicized. In short order rightist youths responded to the militancy of the left. The two groups frequently fought on the campuses and in the streets. By the October, 1969, elections, some 20 youths had been killed, and scores had been injured.

With the JP again victorious in 1969, the left turned increasingly to terrorism. At the universities the bombing and shooting increased, and many schools operated behind schedule. The terrorists accelerated their robbing, killing and kidnapping. These actions led to a military-backed government and the setting aside of party politics from early 1971 to late 1973.

In the elections that followed in October, 1973, Ecevit and the RPP won a plurality. After a three-month political crisis, he patched together a coalition of the RPP and the religious fundamentalist National Salvation party, which he was able to put together because of the common economic policies of the otherwise strange bedfellows.

Ecevit's government collapsed in September, 1974, because of the strains brought about by the association of the dissimilar factions. Following six months of political crisis that ended in late March, 1975, Demirel formed a coalition with three other parties, which again included the National Salvation party but also embraced the rightist and fascist National

Action party (NAP). Members of the NAP received such political plums as appointments to the State Institute of Statistics, where they bullied and assaulted both other employees and visitors. Worse yet, the head of the NAP, who acted as Deputy Premier during 1975-1977, used his position to infiltrate the police and security services.⁴ This tactic greatly exacerbated the violence then and later.⁵

In the June, 1977, elections, Ecevit and the RPP once more emerged with a plurality; but Ecevit governed only briefly and was succeeded once more by Demirel and his coalition. This Demirel government was relatively short-lived, however, as a result of some defectors and losses in local elections, undoubtedly due in considerable part to the deteriorating economic situation. Ecevit then again took over the government, this time for a 22-month period that began early in January, 1978.

The economic consequences of his stewardship in 1978-1979 were highly unfortunate. Although he undertook necessary reforms, like the devaluation of the Turkish lira, with much urging from the International Monetary Fund (IMF), he was not sufficiently disciplined in implementing his policies when the desperate economic circumstances called for massive change. His disappointing economic policies led to the defeat of his party in the off-year parliamentary elections of October, 1979. Once again, Demirel formed a coalition and assumed control of the government.

In the meanwhile, political violence worsened in 1978, because of economic problems and Turkey's lack of effective farsighted leadership. Political terrorism became a way of life, with enormous effects on youth, not only in colleges and universities but in high schools as well. Politicians, civil servants, journalists, professors, teachers, bank officials, labor leaders, workers within and without the shantytowns and, of course, unintended victims were killed or maimed. In 1978 and 1979 combined, more than 2,500 persons lost their lives, while in the first seven months of 1980 the toll exceeded 2,000.⁶ Among the bloodiest of incidents during these years was an attack by rightist Sunnis on a funeral procession of left-wing Alevi Muslims in December, 1978, when 111 persons lost their lives.⁷ This in turn led to Ecevit's declaration of martial law in 13 provinces, including Istanbul and Ankara. By mid-1980, martial law prevailed in 20 provinces.

Where was Turkey headed in 1980? In July, 1980, martial law already governed 20 provinces, and the leaders of the two main parties had responded to military and popular pressures and apparently agreed on legislation that would increase the authority of the martial law commanders and would speed judiciary procedures. Moreover, the army had not proved very effective against hit-and-run terrorism, and there was

⁴Charles Patmore, "Tükes: The Right's Chosen Leader," *New Statesman*, vol. 97, April 6, 1979, p. 478.

⁵The rightists in Turkey are known as the Grey Wolves. This helps explain the following statement: "The head continues to escape—and the wolf's paws to remain embedded in the police and security services." See David Tonge, "Will the Military Take Over?" *New Statesman*, vol. 97, April, 1979, p. 477.

⁶Marvine Howe, "Turkish Factions Agree on One Thing: Democracy Is in Danger," *The New York Times*, August 3, 1980, p. E5.

⁷The locale was Kahramanmaraş, a town in southeastern Turkey. Over 19 months later, a military court sentenced 22 people to death for their crimes. Yet, the court rejected conspiracy charges for lack of evidence; the military supreme court and the Parliament still had to approve the sentences and the NAP was again part of the government; and hundreds of people either received prison sentences, usually of five to seven years, or were acquitted.

some evidence that it too might be infected with factionalism, although less so than security forces and the police. Nor was the military eager to face Turkey's severe economic problems. Armies, after all, are more adept at maintaining order than at promoting change.

Despite some indications of outside assistance to the terrorist groups,⁸ the violence was primarily internal, with socioeconomic and political roots. Unfortunately, the terrorism soon took on a life of its own, as one person after another was killed in reprisals. It was evident that the country required a leadership that could maintain order more effectively, diminish political instability, increase the capacity of the civilian authorities to govern, mitigate the country's economic ills and take steps to reduce its socioeconomic inequities. Matters came to a head in the late summer of 1980. Parliament had not selected a new President after months of infighting and indecision nor had it enacted an anti-terrorist law. When Islamic fundamentalists forced the resignation of a pro-West foreign minister and, contrary to the law, demonstrated in religious dress, the military again formed a caretaker government to help preserve Turkey's threatened democracy.

In the early hours of September 12, 1980, the military carried out a bloodless coup. As it had in 1960-1961, it assumed complete control of the government, dissolving Parliament and temporarily eliminating the rule by political parties. It abolished the constitution, placed about 100 members of Parliament and the leaders of two extremist trade unions in protective custody (in many instances for brief periods), banned strikes and other trade union activity, declared martial law in all 67 provinces and instituted a nationwide curfew.

For the time being, the government rested in the hands of a Security Council, consisting of five generals and one admiral. Its head, General Kenan Evren, a moderate who was well known in Western circles, declared that the caretaker government would restore Kemalist principles. He promised action with respect to Turkey's political and other problems, including strengthening Turkey's armed forces. Moreover, Turkey's Security Council was prepared to accept the economic changes that had been introduced earlier in the year (see below)—an indication of the relative effectiveness of the measures in question and possibly also of the military's unwillingness to become deeply involved in technical economic issues. Later in September, educational reform was added to the list of objectives.

During its first week in power, the new regime

rounded up suspected terrorists and some of their vocal supporters, dealt with convicted terrorists in a fashion that demonstrated that it intended to be firm but not unduly harsh in countering violence, began to replace extremist governors and mayors with more moderate officials and took steps to reduce factionalism among the police, who had previously indicated their political allegiance by the manner in which they wore their moustaches. In the meanwhile, the news circulated that a draft constitution had already been prepared in order to provide the basis for discussion by a soon-to-be-formed constituent assembly. The draft provided for a strong, French-style President.

Shortly after its first week in power, the Security Council announced the formation of a new civilian Cabinet. It was headed by a retired admiral, Bulent Ulusu, and included 13 former government officials, 7 retired generals, 4 professors, a journalist, an industrialist and a labor leader. The Cabinet was decidedly technocratic; few of its members were publicly identified with any political party. One of the two Deputy Prime Ministers was Turgut Ozal, who had been the architect of the anti-inflationary, export-promoting austerity program that had been adopted early in the year and who would now be in charge of economic affairs. The other Deputy Prime Minister was a former official of the Ministry of Finance. These appointments suggested that the government was following a relatively conservative course, at least in economic matters. All told, the composition of the Cabinet augured well for the success of the new regime's efforts.

Outside the country, the military takeover was at times referred to as a violation of human rights. In eastern Turkey, the Kurdish minority reacted negatively to the change in government and again bombed the Iraqi-Turkish pipeline. Most Turks, however, felt a sense of tranquility, security and—in an important sense—freedom that they had not known for months.

In its modernization, Turkey's leaders tended to emphasize economic factors and to give short shrift to socioeconomic problems. Beyond that, the authorities tended to focus on economic growth at the expense of other economic objectives. This orientation, combined with several highly unfortunate developments overseas, produced Turkey's economic crisis, beginning particularly in 1977. The crisis appeared first in the areas of foreign trade and the general price level and then affected the country's growth and employment.

During 1962-1976, Turkey was successful in its basic strategy of promoting economic growth. The period witnessed average annual growth rates of 6.9 percent in the gross national product (GNP), 9.8 percent in industrial output, and 10.7 percent in fixed investment,⁹ all corrected for price changes and with

⁸The splintered left, with some 50 different groups in mid-1980, relied more on foreign help than did the nationalist and unified right.

⁹Calculated from data provided by Turkey's State Planning Organization.

1962 as the base year. These are impressive rates of increase. During 1970-1975, moreover, Turkey's average rate of growth in total output of 7.7 percent per year surpassed that of any other OECD nation.

Yet this growth had an Achilles' heel in the form of a weak balance of trade position. Turkey has never had a strong export orientation. Around the mid-1960's its balance of payments was only superficially sound as a result of unexpected windfalls, like the remittances of workers from overseas. By the late 1960's, however, only a highly complex system of penalties for some classes of imports was keeping the balance of trade under control. Finally, in August, 1970, Turkey devalued its lira, officially by two-thirds but actually closer to one-fifth.

This was an inflationary act that would soon bring about further official depreciation of the currency in order to encourage exports, which therefore would heighten inflation, and so on. The inflation was exacerbated in the early 1970's by such internal factors as sharp increases in the money supply, high price supports for agriculture and (until then, long delayed) increases in the salaries of civil servants. At the same time, inflation abroad also contributed to inflation at home through the higher prices of imported goods. In 1973-1974, disaster struck, first in the form of the sharp increase in oil prices on the part of the Organization of Petroleum Exporting Countries (OPEC), subsequently because of the resulting recession in the richer countries that reduced the demand for Turkish exports. The RPP- and especially the JP-led governments of 1974-1976 then made the important and ill-advised decision not to reduce the pace of Turkey's economic growth at all. (The rate averaged 7.7 percent during these years.) Instead, Turkey would borrow from abroad, frequently at market rates of interest from commercial banks in the richer countries, in order to expand the imports that were necessary for the country's growth.

By 1977, the rise in oil prices had added \$1 billion to the country's foreign exchange needs, some 82

percent of the income from the exports of merchandise (totaling \$1.753 billion) was used to import oil, the deficit on the trade in goods exceeded \$4 billion and Turkey was allocating 11 percent of its limited export proceeds to pay interest on its debt.¹⁰ The country was running into increasing shortages as a result of its restricted capacity to import goods and services. By the end of 1977, moreover, its foreign debt approximated \$11.3 billion of which as much as \$6.6 billion was short-term. It was then nearly bankrupt, possessing only enough reserves to pay one month's bills. At the end of 1978, its external debt had increased to about \$12.9 billion, of which \$7.7 billion was short-term.¹¹ As before, its foreign reserves had virtually vanished. In 1979, with recessions in the industrialized world again likely, Turkey, Peru and Zaire were regarded as the three countries least able to meet their obligations. During the mid-1970's, Turkey had borrowed abroad to maintain its growth; by late 1970's it was borrowing to retain its solvency.

While the country was experiencing these balance of payments problems, its inflation was also becoming more severe. The GNP price deflator, which had advanced some 16 percent in 1976, rose by 24 percent in 1977, 44 percent in 1978 and 60 percent in 1979.¹² In 1980, the cost of living increased 72 percent in Ankara and 82 percent in Istanbul.¹³ During the first three months of 1980, the annual rate of inflation was reported at about 140 percent in Ankara and 110 percent in Istanbul.

This inflation assuredly resulted in part from certain domestic problems, like budgetary deficits, significant expansions in Central Bank credits, monopoly pricing, wage and salary increases and an inflationary psychology. Clearly, there was a mutual interaction between inflation and Turkey's foreign trade difficulties. Inflation made it still more difficult for Turkey to compete in overseas markets. Thus the country's exchange rate deteriorated from TL 16.67 = \$1.00 in 1976 to TL 35.35 in 1979, TL 70.70 in January, 1980, and about TL 78.0 in July, 1980.¹⁴ This in turn made the prices of imported goods that much more expensive, as did the rising prices of oil and the products which that precious commodity affected. In the meantime, exports and hence imports were hampered in 1979 and 1980 by worsening economic conditions in the richer countries.

The behavior of Turkey's exports and imports, moreover, contributed to other problems. Though stated in current prices, imports in 1979 (amounting to \$5.07 billion) fell below their 1977 totals.¹⁵ This led to a serious decline in the availability of consumer goods (except at black market prices that only the wealthy could afford) and in Turkish living standards. Fuels, vegetable oils, sugar, coffee, light bulbs, medicines, medical equipment, newsprint and foreign cigarettes and alcohol were among the items in short

¹⁰The foreign trade data are drawn from Organization for Economic Cooperation and Development (OECD), *Turkey*, April, 1980, p. 15, table 10, while the statistics on interest payments may be found in World Bank, *World Development Report, 1979*, p. 151, table 13.

¹¹Gul G. Turan, "Economic Perspectives," *Current Turkish Thought*, New Series, no. 39 (Summer, 1979), p. 10, table 10.

¹²Calculated from data of the State Planning Organization on the GNP in both current and 1968 prices.

¹³Calculated from data appearing in OECD, *Turkey*, 1980, p. 48, table F.

¹⁴International Monetary Fund, *International Financial Statistics*, July, 1980, pp. 390-391.

¹⁵Is Bankasi, *General Economic Conditions in Turkey in 1979*, Supplement of *Review of Economic Conditions*, January-February, 1980, p. 7. The imports of 1979 exceeded those of 1978, but so did the trade deficit, since exports also declined slightly.

supply. Raw materials, intermediate goods, parts and investment goods were similarly affected. This, plus political and economic uncertainty, retarded overall activity. During the winter of 1980, many factories and schools remained closed for lack of fuel. In the summer of 1980, electricity was being shut off four hours a day in Istanbul. In 1979 and early 1980, industry normally operated at about 50 percent capacity because of the shortages.

Accordingly, the "real" growth rate in the GNP declined from 7.7 percent in 1976 to 4 percent in 1977, about 3 percent in 1978 and apparently near zero in 1979, when industrial production actually decreased. By the same token, the unemployment rate rose. In 1977 and 1978, this may still have approximated 15 percent, compared to about 12 percent in 1972. In 1979 and early 1980, however, unemployment skyrocketed to a reported 20 percent or more, affecting even the workers in the more advanced sector.

During the late 1970's and in early 1980, Turkey struggled (usually in vain) to maintain its solvency, restore its growth, raise its employment and reduce its inflation. From its point of view, its most immediate and pressing need was to obtain funds to meet its external obligations. In 1978 and 1979, in a series of negotiations with the governments and commercial banks of the richer countries, it managed to reschedule many debt payments. At the same time, it sought longer-term funds from OECD countries. The latter would agree to the credits, however, only if the IMF gave its approval, which in turn depended on Turkey's introduction of a series of reforms that were specially designed to reduce inflation and increase exports. Ecevit's government resisted many IMF proposals. Since it devalued the lira and adopted other required changes in 1978 and early 1979, however, a 16-member OECD consortium provided Turkey with \$960 million in grants, loans and supplier credits in May, 1979. In the same year, the IMF itself supplied \$325 million in funds, and the World Bank lent Turkey at least \$80 million.

Then in January, 1980, the Demirel government introduced a program that would lead to decreases in farm price supports, the freeing of the prices charged by most state economic enterprises (which would in turn reduce budgetary deficits and Central Bank credits), a devaluation of 48 percent (more than the IMF had requested), and the opening of many new fields, like mining, to foreign investment. In May, 1980, the OECD consortium thereupon announced the extension of a \$1 billion loan to Turkey. As is true of most "aid," it was inspired by political considerations.¹⁶ Nevertheless, it prevented serious reductions in imports and/or the struggle for additional rescheduling of debt payments for Turkey. The fol-

lowing month the IMF itself granted an unusually high credit of \$1.7 billion.

Beyond that, however, the reform measures themselves may have constituted the turning point in Turkey's long-term economic fortunes. They appear to have been working to decrease the rate of inflation, insofar at least as the rise in prices was associated with domestic considerations. By the summer of 1980, the rate of increase in prices had declined considerably, reportedly to about one or two percent a month. Given the links among the several macroeconomic problems, this could in turn promote exports and hence imports, growth and employment. The foreign trade sector would thus tend to be favorably affected by the slower rate of increase in prices and also by the devaluations. But it remained to be seen whether these price changes would be sufficient to expand exports substantially. Turkey very much needs to become competitive in some important manufacturing items other than textiles, and price modifications are probably not sufficient to effect that kind of structural change. Reductions in high unit costs, the standardization of products, improvements in quality, and the development of institutions and skills in export marketing are also required.

Should exports be improved and the Turkish lira strengthened, this might lead some of the Turks who had more than \$10 billion in foreign accounts in 1979 to repatriate their holdings. That would go a long way toward mitigating the external debt problem. A reduction in the country's dependency on foreign oil would also be most helpful, but Turkey has so far made very little progress on this score.

FOREIGN AFFAIRS

The Republic of Turkey has been at peace since 1922, with the exception of its contributions to the United Nations force in Korea in the early 1950's and the Cyprus action that began in 1974. It has tended to identify itself with the West, and it has normally maintained cordial relations with the other NATO and OECD countries. Thus immediately after taking over the government in September, 1980, the military pledged to continue its basically pro-Western foreign policy and to honor its commitments to NATO. The United States felt obligated to express its concern over

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¹⁶United Turkish Americans, *Newsletter*, May, 1980, pp. 1-2.

"By the fall of 1980, the Syrian regime felt besieged. It faced the most serious domestic unrest since the Ba'th came to power; it was mired in Lebanon with little immediate hope of extricating itself; it had little hope of securing Israel's withdrawal from the Golan Heights, the West Bank, or East Jerusalem; and it was isolated as a result of its acrimonious disagreements with Egypt and Iraq."

Syria's Troubled Ba'thi Regime

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THE Ba'th party has ruled Syria continuously for 17 years, an impressive achievement by the standards of the 1946-1963 period, when the country was noted for its chronic political instability even in the Middle East. This is not to suggest that Syria has enjoyed complete tranquility since the 1963 revolution or that the Ba'thi regime has not changed since its installation. Intra-party feuds have been almost constant. Moreover, coups d'état in 1966 and 1970, the culmination of power struggles among leading Ba'thi officers, resulted in significant shifts in the regime's direction.¹

President Hafiz al-Asad, a prominent figure in the regime since 1963, achieved full power only in 1970, when he cut short Salah Jadid's political career. Most Syrians initially welcomed his ascendance because Jadid, an unpopular ideologue who tolerated little opposition, had isolated Syria from its Arab neighbors and attempted to fashion an austere and rather rigidly socialist society. Asad, a pragmatist, vowed to liberalize and broaden the base of the regime, to relax controls over private enterprise, to reestablish links with other Arab countries, and to devote more attention to the Arab-Israeli dispute. His so-called "correction movement" revived—and possibly even saved—the Ba'thi regime. Asad's popularity and legitimacy were further enhanced by the October, 1973, war with Israel, when the Syrian armed forces performed reasonably well.

Recently, however, the regime has been in great difficulty. Ever since 1963, the Ba'th has had to deal periodically with isolated outbursts of popular discon-

tent. But during the past two years it has encountered better organized and far more intense, sustained and widespread opposition than anything previously experienced. By the spring of 1980, massive civil disturbances in Aleppo, Syria's second largest city, shook the regime's very foundations. Only the dispatch of several thousand troops enabled the central government to reimpose its authority in the city. For a moment, Asad's grip on power looked exceedingly precarious. What prompted this explosion of discontent? Why now?

It is important to distinguish between the long- and short-term causes of the regime's problems; focusing on the immediate reasons for the events in Aleppo underestimates their seriousness and significance. Unquestionably, the regime's greatest vulnerability has been the widespread perception since 1963 that it is controlled by the minority Alawi sect, a heterodox Shi'ite Muslim splinter group that some orthodox Sunni Muslims consider heretical.²

This perception is not without foundation, even if it is exaggerated and fails to take into account some of the regime's very real nation-building accomplishments. Although Alawis make up only 11 percent of Syria's population, they hold a strikingly large proportion of key positions in the elite. This prominence is partly attributable to their traditional overrepresentation in the armed forces (which offered an attractive escape from their impoverished mountainous homeland in the al-Ladhiqiyah region) and in the Ba'th party (whose socialism and secularism had a specially strong appeal to a community that historically suffered persecution and discrimination at the hands of the Sunni majority).³ President Asad belongs to the sect, as did Salah Jadid before him. By one estimate, 18 of the top 25 officers in the armed forces in the mid-1970's were Alawi.⁴

Many Sunnis feel that their community, which makes up 70 percent of the population, has been significantly underrepresented since 1963; they have greeted the regime's professed commitment to the creation of a secular society with undisguised skepticism, detecting a contradiction between what it practices and what it preaches. The most cynical view

¹For a detailed account of the Ba'thi regime's origins and early development, see especially Itamar Rabinovich, *Syria Under the Ba'th, 1963-66: The Army-Party Symbiosis* (Jerusalem: Israel Universities Press, 1972).

²See Nikolaos van Dam, *The Struggle for Power in Syria: Sectarianism, Regionalism and Tribalism in Politics, 1961-1978* (New York: St. Martin's Press, 1979) and Alasdair Drysdale, "The Syrian Political Elite, 1966-1976: A Spatial and Social Analysis," *Middle Eastern Studies*, vol. 17, 1981, pp. 3-30.

³For background, see Drysdale, "The Alawis of Syria" in Georgina Ashworth, ed., *World Minorities*, vol. 2 (London: Quartermaine House, 1978), pp. 1-6.

⁴*Arab Report and Record*, July, 1977, p. 559.

is that secularism is merely a convenient cover for the Alawi monopolization of power: if sectarian identities are officially deemed unimportant, then by definition the many Alawis in top positions can be explained away as an irrelevant coincidence.

As long as the regime's nation-building credentials appeared reasonably authentic and the country's problems were apparently being tackled conscientiously, criticism of the elite's composition could be successfully deflected, and sectarian tensions remained muted and manageable. However, as the regime aged, it became flabby and tarnished. The deterioration of Ba'thi organization and lax discipline among party members are both causes and symptoms of this degeneration. Because Syria is a one-party state in fact if not in name, membership in the Ba'th has virtually become a qualification for high office as well as a means of getting ahead more quickly. Consequently, the party has attracted its fair share of opportunists who care little about its original socialist and reformist goals. The regime's vision has therefore looked ever more hollow, irrelevant and uninspiring. Combined with the existence of an enormous, inefficient public sector and the easing of restrictions on Syrian capitalists, this created the perfect setting for graft at all levels of government. Corruption has become rampant and endemic, despite periodic attempts by the regime to control it. Several ministers and top officers are widely known to have made fortunes from commissions on state contracts and influence peddling.

Notwithstanding the sweeping nationalization of industrial, financial and commercial establishments, land reform and other socialist measures in the mid-1960's, a large new affluent class has emerged, fed by massive government spending.⁵ Glaring inequalities and the extravagant consumption of the affluent (which the Ba'th came to power to eradicate) have resurfaced. This has heightened social tensions, especially in the big cities, which have been exploding as a result of unchecked urbanization. Unfortunately for the regime, discontent is very easily translated into sectarian terms.

Inhibitions about exploiting sectarian ties, either to advance a career or to bolster the regime, have lessened, along with the regime's gradual decay. Paradoxically, the more threatened and vulnerable the regime, the more it is cemented by primordial loyalties and the less it is united by a sense of

ideological mission. More Alawis have indeed been cashing in on their origins and showing favoritism to one another. Naturally, the many Alawis who have been innocent of such behavior and strongly object to it inevitably suffer the consequences of the actions of their less scrupulous fellow Alawis.

As the party degenerated and discontent mounted, the regime became increasingly repressive. This, in turn, fueled further discontent. Although Asad initially liberalized political life, holding parliamentary elections and giving non-Ba'thi socialist groups a nominal share of power, he also indirectly undermined the Ba'th by giving the military a far greater voice in the running of the country. To many Syrians, the most odious symbol of the regime's repressiveness has been the 20,000-man Special Defense Forces led by Rifa't al-Asad, the President's brother. This palace guard, which has its own intelligence apparatus and the most modern equipment available, is generally believed to be heavily Alawi in composition. Moreover, it has given Rifa't al-Asad, who has a reputation for ruthlessness and enormous corruption, a virtually unchallenged power base. The President tolerates his brother's behavior because he provides the regime with vital protection.

Two specific events have widened discontent with the regime and exacerbated sectarian tensions. The first was the tragic civil war in neighboring Lebanon between the Muslim and Palestinian leftist alliance and a coalition of right-wing Christian groups. Syrians have always believed that Lebanon and Syria are indivisible and that both are part of a Greater Syria. In Asad's words, Syrians and Lebanese "are one people" and "it is difficult to draw a line between Lebanon's security and Syria's security."⁶ The Syrian regime was determined not to see Lebanon partitioned into Christian and Muslim micro-states, to allow one side to destroy the other, or to give Israel a pretext to intervene and draw Syria into another war for which it was unprepared.

Consequently Syria sent troops into Lebanon in June, 1976, initially pitting itself against the Muslim and Palestinian leftists, its natural allies. This action was deeply unpopular with the Sunni majority in Syria, which sympathized with the left, and it aroused fears about the regime's ultimate motives. To the regime's most incorrigible critics, it was further proof that the Alawis were not Muslim at all. When Syrian troops then tried to bring the Christian militias under control and to protect the Muslim left, the Lebanese Christians attempted to weaken Asad's resolve by pointedly publicizing Syria's own sectarian difficulties.⁷ With a civil war raging next door, refugees streaming into Damascus, and soldiers returning from tours of duty, it was only a matter of time before some of Lebanon's sectarian tensions would be transmitted to Syria.

⁵See Elisabeth Longuenesse, "The Class Nature of the State in Syria," *MERIP Reports*, no. 77, May, 1979, pp. 3-11.

⁶Adeed I. Dawisha, "Syria in Lebanon—Assad's Vietnam?" *Foreign Policy*, vol. 33, 1978-1979, pp. 135-150.

⁷For example, Dory Chamoun, a prominent Maronite Christian accused the Syrians of trying to partition Lebanon "as a first step towards the partitioning of Syria and the establishment of the Alawite state" in *The Middle East*, September, 1978, p. 26.

The resurgence of Islam in the region and the Iranian revolution have also had a profound effect on Syria. The Ba'thi regime has often been criticized by the Muslim clergy for being insensitive to Islam or even atheistic. There were serious riots in 1964 over an article by a Ba'thi soldier calling Islam outdated and irrelevant, and again in the early 1970's over the wording of a new constitution, which originally did not specify that the President had to be a Muslim. Asad has always recognized the need to emphasize at every opportunity that the Alawis are true and devout Muslims, and he ostentatiously displays his piety. Nevertheless, as long as there remains some doubt about the Alawis' Islamic credentials in the minds of even a few traditional Sunni Muslims, then any growth of Islamic fundamentalist sentiment poses serious dangers to the regime. Because the regime can be accused of being both too sectarian and too secular at the same time, it is doubly vulnerable.

The importance of Iran's revolution lay less in the fact that it was Islamic than that it showed that a seemingly well-entrenched corrupt regime could be overthrown by mass opposition. To those who wished to see the end of the Ba'thi regime, it provided welcome encouragement and inspiration, even though the Iranians, like the Alawis, are Shi'ite Muslim. Ironically, the regime also welcomed the Shah's overthrow and has been among Iran's few Arab friends.

The first serious indications of organized opposition to the Ba'thi regime came shortly after Syria's intervention in Lebanon, when a wave of bombings and systematic assassinations struck prominent supporters of the regime. Almost all the victims were Alawi. These bombings and killings have continued, taking dozens of lives and instilling considerable fear among leading Alawis. The victims have included officers, lawyers, doctors and academics. It is widely believed that the assassins are associated with the Muslim Brotherhood or other fundamentalist groups, although it is possible that Syria's enemies in the region may also be involved. The bloodiest and most daring attack occurred in Aleppo in June, 1979, when more than 60 artillery academy cadets were massacred by a group of gunmen.

The regime blamed the Muslim Brotherhood and vowed to "liquidate this hireling group," which it said was supported by foreign powers wishing to weaken those countries opposed to the Israeli-Egyptian peace treaty. Several hundred alleged members of the brotherhood were immediately arrested, and by the end of June, 14 Syrians had been executed and another 14 had been sentenced to death. Nevertheless, the killings did not stop and the regime's heavy-handed response alienated increasing numbers of people.

The regime is not deaf, however; it recognized that anti-corruption campaigns and promises to make the government more responsive made no appreciable

difference and that the opposition was widespread. In late December, 1979, the quadrennial national congress of the Ba'th party met in Damascus in an atmosphere of crisis. For two weeks, more than 750 delegates from all parts of the country discussed the regime's problems frankly and openly. As a result of this cathartic congress, important leadership changes were made. Of the 21 persons elected to the Regional Command, or national party leadership, 14 were new. In addition, a 75-member central committee was established for the first time to monitor the Regional Command and to serve as a link between the command and the party's rank-and-file. The congress also appointed a 5-man "control and inspection committee" to supervise party discipline. In January, 1980, Asad swore in a new Cabinet, 23 of whose 37 ministers had never held Cabinet rank before. The new government had a large contingent of young technocrats and a much larger share of Sunni Damascenes than usual.

Despite these changes and despite Asad's renewed commitment to eradicate corruption, protect individual liberties and strengthen the judiciary, opposition continued to mount. The most serious challenge to the regime came in Aleppo, where various strains of discontent coalesced, and escalating demonstrations, strikes and violence paralyzed parts of the city from December, 1979, onward. In early March, merchants protesting price controls declared a general strike, which spread rapidly to other cities. This galvanized other sectors of the population, and various professional groups—physicians, academics, lawyers and engineers—issued manifestos calling for democracy, the release of political prisoners and an end to sectarian practices. At this point the regime, apprehensive that the unrest signaled the start of an Iranian-style popular uprising, dispatched 10,000 of its finest troops to Aleppo. Meanwhile, it also tried to defuse the situation peacefully, listening to grievances, replacing several unpopular provincial governors, releasing 200 political prisoners, and dismissing 25 directors of state companies for corruption or incompetence. By the time relative calm had been restored, however, more than 200 Syrians had lost their lives.

Although there has been no recurrence of the March disturbances, Syria remained very tense in 1980. Assassinations and bombings continued, while the security forces waged a running battle with opposition and fundamentalist groups. In July, membership in the Muslim Brotherhood was made a capital offense. The regime has been badly shaken; but as long as the armed forces remain loyal, it can probably withstand such occasional outbursts. The regime's large and pervasive internal security apparatus has also been fully mobilized to prevent the opposition from regrouping.

One of the abiding ironies of Syrian political life is

that a regime that originally purported to be a secular nation-building regime is now perceived by many Syrians as serving narrow sectarian interests. It is also ironic that the Ba'th party, whose *raison d'être* has always been to promote the creation of a pan-Arab state, has succeeded in isolating Syria in the Arab world.

HISTORICAL PERSPECTIVE

The apparent twists and turns in Syria's foreign policy, the seeming inconstancy and fluidity of its relationships with other countries, and the perpetual and constant Manichean redefinition of its friends and enemies must be seen in historical perspective. One of Syria's greatest disabilities has been that those who led the country to independence from the French in 1946 often expressed ambivalence, even hostility, towards the state's very existence, because Syrians, more than most Arabs, viewed the Anglo-French division of the Arab world into separate political entities after World War I as only temporary.

Thus in 1953 President Adib Shishakli defined Syria almost disdainfully as "the current official name for that country which lies within the artificial frontiers drawn up by imperialism when it still had the power to write Arab history."⁸ Similarly, the first communiqué issued after one of innumerable Syrian coups d'état in the early 1960's disparaged the Syrian state-idea and affirmed the conspirators' commitment to a greater political-geographic entity.

Syria's "illegitimacy" has had at least two major consequences. First, supra- and sub-national political loyalties have often been stronger than national loyalties, and this has impeded national unity. Second, there has seldom been a clear distinction between the foreign and the domestic or the Arab and Syrian realms; Syria is drawn into almost every major regional dispute and almost every pan-Arab scheme. Because it regards itself as the "beating heart" of Arabism and the birthplace and incubator of Arab nationalist ideas, more than most countries it feels the Arab world's every twitch.

So weak was the Syrian state-idea in the 1950's that at times it was not clear that the country could survive as an independent entity. Indeed, frequent coups d'état (for which Syria earned a certain notoriety) were usually engineered by factions of the officer corps seeking to merge Syria with Egypt or Iraq. Both Egypt and Iraq, in turn, viewed Syria as a geopolitical prize and vied to prevent one another from winning Syria's support in its quest to become the dominant power in the region. In effect, for the first decade or so of its existence, Syria's leaders put the country up for adoption but squabbled about its parents.

⁸Patrick Seale, *The Struggle for Syria: A Study in Post-War Arab Politics, 1945-1958* (London: Oxford University Press, 1965), p. 130.

Eventually, Syria briefly disappeared from the political map when, in 1958, it merged with Egypt to form the United Arab Republic (UAR). However, the union was a fiasco. Egypt's tendency to treat Syria as a minor distant province was deeply resented and ultimately led a disillusioned Syria to secede in 1961.

After the UAR's failure, Arab leaders were far readier to concede that there were practical difficulties in achieving integration. No group of Arab countries has since tried to achieve such an ambitious and comprehensive union. Syria was much more cautious after 1961; it never again surrendered its sovereignty so completely. In fact, there was a long hiatus in the 1960's when Syria was very much alone in the Arab world because of its insistence that all its friends be pure revolutionaries. Ironically, after a brief and unsuccessful flirtation with Iraq and Egypt in 1963, the Ba'th party, the most ardent champion of Arab unity in Syria, isolated the country after it came to power. It even rejected union with neighboring Iraq when the Ba'th came to power there because Iraq's Ba'th was a rival wing of the party.

THE ARAB-ISRAELI DISPUTE

This isolationism ended abruptly with Hafiz al-Asad's assumption of power in 1970. Syria has always been deeply involved in the Arab-Israeli dispute by virtue of its location as a frontline state and because Syrians have traditionally viewed Palestine as an integral part of Greater Syria. No aspect of Syria's foreign policy can be understood without reference to its preoccupation with the Arab-Israeli problem. Asad, always the pragmatist, recognized that if the Arabs were ever to solve the Palestinian refugee problem and recover the territories occupied by Israel in the 1967 war—including the Golan Heights—Syria and Egypt had to form a united front and set aside their differences. When Syria joined Egypt and Libya in 1971 in creating the loose Federation of Arab Republics, the alliance had as much military as political significance. The 1973 war, which Arabs viewed as a victory of sorts, would have been unthinkable without close cooperation and coordination between Syria and Egypt. Without Egypt, Syria had little hope of settling its dispute with Israel. This was especially true after 30,000 Syrian troops were bogged down in neighboring Lebanon's vicious, protracted civil war.

It was to be expected that Syria would react with bitterness to the signing of a separate peace treaty between Egypt and Israel in March, 1979. Asad charged that Egypt's President Anwar Sadat had "sold out the dignity, interests, and principles of the

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Alasdair Drysdale has written several articles on contemporary Syrian politics.

THE AUTONOMY TALKS

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an initiative. But the prospects for a substantial European effort were dimmed by a United States preference for its own approach⁸ and by Egyptian and virulent Israeli opposition. Israeli opposition focused on several elements including the European effort to include the PLO despite the PLO's professed aim of eliminating Israel. Sadat seemed prepared to allow President Carter to continue his efforts.

THE SOVIET PERSPECTIVE

Consistent Soviet opposition to the autonomy talks has been based on many factors including the Soviet view that it "is a direct outgrowth of American Middle East policy" and "the product of a sustained effort to secure the imperialist interests of the United States and its ally—Israel."⁹ The Soviet Union maintains that the "separate deal" between Egypt and Israel does not conform to Arab interests and is "an act best suited to the interests of Israel's expansionist policy."¹⁰ It does not meet the needs of the Palestinians and their "just cause" including the creation of a Palestinian state. The Soviet Union accuses Sadat of being an accomplice of those seeking to obstruct a settlement.

The autonomy talks are in direct conflict with Soviet interests and objectives in the area. Although the Soviet Union was co-chairman of the 1973 Geneva Conference and the United States sought to reinvolve the Soviet Union in an October 1, 1977, communiqué, its actual rôle has been minimal. The virtual exclusion of the Soviet Union from the peacemaking process has led it to challenge the United States role and to work to undermine it. Soviet efforts to maintain and improve its position in the Arab world have included its support of the PLO and its opposition to Camp David, the Egyptian-Israeli treaty, and the autonomy talks.

⁸Ambassador Sol M. Linowitz, personal representative of the President for the Middle East Peace negotiations, expressed United States opposition to the European initiative in these terms: "... this could be unhelpful to our efforts because it suggests that if you don't join now perhaps something better will come along months from now. ... it does perhaps distract the Palestinians from wanting to come in and join the negotiations." Interview on "Face the Nation," April 20, 1980, in *Department of State Bulletin*, June, 1980, p. 55.

⁹Y. Primakov, "A Dead-End Middle East Settlement," *International Affairs* (Moscow), February, 1979, p. 38.

¹⁰See, for example, *ibid.*, especially pages 42ff. During visits to the Soviet Union in October-November, 1978, and March-April, 1980, this author was able to discuss at length the Soviet perspective, its underlying rationales, and suggested alternatives with Soviet specialists on U.S. policy and the Middle East.

The autonomy process was not expected to move forward in the latter half of 1980 because of the United States presidential election. Sadat, other Arabs, and the Europeans and Soviet leaders all anticipated that the United States President would be unwilling to exert the "required" pressure on Israel for concessions in an election year. It was anticipated that the process would have to await the end of the elections and the inauguration of a new United States administration before the process could move ahead.

The resumption of the autonomy talks in Washington, D.C., in mid-October, 1980, augured well for the future, although the initial rounds indicated that stubborn issues remain. The earlier suspension of talks had been followed by a period of tension and recriminations between Egypt and Israel. The Egyptian media launched personal attacks on Begin, and Israel was accused of putting obstacles in the way of peace. But for the three involved parties, the resumption represented a more important policy objective. Egypt and Israel clearly saw the value of the peace effort and were motivated by their respective needs for peace, although their visions of its content and of their own requirements are dissimilar. For President Carter, suspension of the talks called into question his Middle East policy and his image as peacemaker. Eventually, Linowitz succeeded in reaffirming the commitment of Israel and Egypt to the Camp David process and to the resumption of negotiations.

At the same time and despite their differences and the strong Arab opposition to the talks, the normalization of relations between Egypt and Israel has gone ahead virtually on schedule. "Normal relations" between Egypt and Israel began officially on January 26, 1980, by which time Israel had completed its withdrawal from two-thirds of Sinai, as called for in the peace treaty. Land, air and sea borders between the two states were opened and holders of valid visas were able to travel from one to the other via air and sea as well as at the Sinai crossing point at El Arish. Direct communications links (telephone, telex, post) were inaugurated. In late February, embassies were opened in Cairo and Tel Aviv, and on February 26, Ambassadors Ben-Elisar and Mortada presented their credentials.

Clearly, Egypt and Israel and the United States see the need for continued efforts to resolve the conflict (at least for now) within the Camp David framework. Peace and normalization must be maintained and expanded. Ultimately, a solution to the Arab-Israeli conflict will require some representation of other interested parties, but this can occur only after some modification in their positions and perspectives. Some must participate because the problem involves them directly, while others' roles derive from their ability to exercise a veto and to thwart a just, durable and comprehensive solution to the Arab-Israeli conflict.

While the central issues will not be resolved easily, important factors contribute to the Egyptian, Israeli and American desire to continue the autonomy talks, to implement the Camp David accords, and to move toward a comprehensive and peaceful settlement of the Arab-Israeli conflict. ■

SAUDI ARABIA

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Outside the royal family, economic development has given rise to a group of technocrats and intellectuals (also located in the cities) who could challenge the Saud family's role. To meet the demand for skilled Saudi workers, technicians and bureaucrats, the school system was expanded, the curricula secularized and thousands of young men, and even some women, were sent abroad for study. This has created an intelligentsia imbued with many traditional values but also with a desire for reform. Until recently, their number was small, and they were easily absorbed into the bureaucracy. As time passed, many of them rose to the highest positions, but they have been excluded from policymaking, which is reserved for the royal family and particularly for the Committee of Senior Princes. So far the intelligentsia have been satisfied with this arrangement. Most of them are young and have devoted their energy to the modernization and development of the country. This cannot last. As more and more of these men take over important positions, often replacing expatriates, they will want to make policy as well as execute it.

An accommodation must be found or the kingdom's political system will lose its stability. The need has been recognized and a consultative council has been proposed to "*lay the foundation of justice and reorganize the relationship between the authority and the subject*" (italics added).²² The establishment of such an institution is necessary if the royal family wants to diffuse one of the potentially most important challenges to its hegemony. King Khalid devoted considerable space in his policy statement of March 31, 1975, to the need for the council, which was first instituted in the Hejaz by Abd al-Azziz but which had fallen into disuse. There is no indication that the council will be created soon. The delay reflects the strength of the conservative opposition in the royal family.

Overall, the Saudi political system is stable. Various factions are in equilibrium and, despite the indication of future problems, Saudi Arabia will probably not face violent social change in the immediate future. This does not mean that there is no opposition; recent events indicate that an opposition exists, but because the country is a closed society it is difficult to evaluate its strength. Except for socialist analysts, there is general consensus that the attack on the Holy

Mosque in Mecca was undertaken by a small group of disgruntled persons without a significant power base of popular support. To launch a major campaign to destabilize the current regime would require a mass movement. Given the small number of Saudis and the current social structure it is unlikely that such a movement could develop a critical mass without the knowledge of the authorities. ■

SYRIA'S TROUBLED REGIME

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Egyptian and Arab people." The Syrian Minister of Information pledged that Syria would "spare no effort to destroy Sadat." Foreign Minister Abd al-Halim Khaddam predicted Sadat's fate would be "the same as that of the Shah of Iran."

To counter Egypt's peace initiatives, Syria joined the Palestine Liberation Organization (PLO), Libya, Algeria, and South Yemen to create the "Steadfastness and Confrontation Front." More dramatic was Syria's attempt to end its decade-long rancorous feud with Iraq, which hoped to replace Egypt as the leading Arab power since Sadat's ostracism. In October, 1978, Iraq and Syria signed a National Charter for Joint Action. Aware that the success rate for Arab unity schemes is abysmally low and that the recent history of the region is littered with failed unity attempts, Syria and Iraq initially proceeded cautiously. Cabinet ministers and senior officials of the two countries conducted an almost endless series of talks, punctuated by a steady flow of the political, military, economic and cultural agreements that are usually associated with Arab unity schemes.

The military and political benefits of uniting the two countries were obvious. But there were other excellent incentives to end their quarrel. Iraq's main oil pipelines to the Mediterranean, which pass through Syria but had been closed at great inconvenience to both countries since 1976, could be reopened. Syria lost an estimated \$200 million in transit fees while the lines were not operating, a considerable sum for such a poor country. Road and air links, which had been severed in 1977, could be restored, easing the movement of people and goods within the region considerably. Finally, the two countries could reach some agreement about the allocation of water from the River Euphrates, which crosses both countries on its way from Turkey to the Persian Gulf. After Syria completed a dam across the river, Iraq said it no longer received enough water for irrigation.

But there were reasons why the union could not work. By mid-1979, it was evident that the rival wings of the Ba'th party were unable or unwilling to merge their separate organizations or reconcile their arcane ideological differences. Equally important, neither Asad nor Saddam Hussein was willing to yield power

²²King Khalid's first policy statement," *op. cit.*, p. 28.

to the other. Iraq believed it should play the leading role in the union by virtue of its greater size and oil wealth. Despite the announcement of a unified political leadership in June, 1979, both states admitted that several obstacles remained in the way of closer integration. Then, in July, Iraq announced it had discovered a coup attempt and insinuated that Syria had been involved. Syria vigorously denied the charge, but the episode underscored how shallow the rapprochement had been and how deep the suspicions still were. Thereafter, no one seriously hoped for unity.

Relations between Syria and Iraq steadily worsened in 1980. In August, Iraqi authorities entered the Syrian embassy in Baghdad and carted out several boxes of dynamite, fuses, detonators, pistols, hand grenades, booby traps, poisons, and what Baghdad radio described as "one Kent cigarette box containing toxic material," making sure that there were television cameras, journalists, and diplomats from several Arab countries there to record the procession. Claiming that the embassy was being used as a center for sabotage and subversion, Iraq ordered all Syrian diplomats to leave the country within 48 hours. Syria, in turn, accused Iraq of planting the arms.

During the Iraqi-Iranian war, the quarrel became even more vituperative. Iraq accused Syria of betraying the Arab cause by supporting Persian Iran. Baghdad's broadcasts, full of invective at the quietest of times, outdid themselves in finding new epithets to hurl at Asad. Eventually, diplomatic relations were broken. Once again Syria denied Iraq's accusations that it was backing Iran and publicly avoided taking sides in the dispute.

By the fall of 1980, the Syrian regime felt besieged. It faced the most serious domestic unrest since the Ba'th came to power; it was mired in Lebanon with little immediate hope of extricating itself; it had little hope of securing Israel's withdrawal from the Golan Heights, the West Bank, or East Jerusalem; and it was isolated as a result of its acrimonious disagreements with Egypt and Iraq. Therefore, when Muammar al-Qadhafi invited Syria to unite with oil-rich Libya, Asad was quick to travel to Tripoli and accept the offer. Within days the two countries issued a joint declaration on the formation of "one single state" that would enjoy "a single identity" and achieve "complete political, economic, military and cultural unity." In this moment of enthusiasm, no one seemed to remember that theoretically they were already united and had been since 1971, because the Federation of Arab Republics had never officially been dissolved. Realistically, the union between Syria and Libya, which are 700 miles apart, seems destined to remain another paper union, stillborn or forgotten.

Another consequence of the Syrian regime's internal problems, its regional isolation, and its frustration over the Arab-Israeli dispute has been the forging

of even closer ties with the Soviet Union. Syria's friendship with the Soviet Union is not new; it has obtained almost all its weapons from the Soviet bloc for many years. The signing of a 20-year Treaty of Friendship and Cooperation in October, 1980, a goal long sought by the Soviet Union, merely codified and formalized the existing relationship. However, the military and mutual security clauses of the pact raise relations to what Brezhnev called "a new, higher level" and could inject a new element into the Arab-Israeli dispute.

Syria has not passed through such a stormy period in many years. However, it remains to be seen whether the worst of the regime's troubles are over. If the Ba'th is unsuccessful in its attempts to rebuild productive regional alliances and overcome its isolation, or if it fails to persuade Syrians that it is making sincere efforts to broaden its ethnic base, put an end to corruption, and permit greater political freedom, then the discontent that has been expressed in the past two years will surely soon resurface. ■

IRAN AND IRAQ

(Continued from page 9)

phenomenon is so profound that political leadership must respond to it—either by adjustments in a direction pleasing to religious leaders or by suppression. Most regimes are attempting to please religious leaders. Others, like Saddam Hossein in Iraq, prefer the path of suppression.

The Iranian exile community is also a factor. In his brief period as the Shah's last appointed Prime Minister, Shapur Bakhtiar advanced an image of the Iranian revolution that is accepted by many exiles and indeed by many members of the secular middle class in Iran. His view of the mass support for Khomeini was Orwellian. If the theaters had not been closed, the mass would have attended the cinema instead of demonstrating. That was Bakhtiar's response to questions about the cries for his death from Teheran demonstrators. In exile, Bakhtiar continues to hold this view. His popularity rose steadily as the secular/religious polarization developed in Iran. Bakhtiar's view that Khomeini's support was shallow and fickle, of the genre to be expected of the ignorant mass, was generally accepted. To Bakhtiar and most exiles, the Iranian mass was indeed a great beast.

In addition, the exile community was strongly inclined to believe that the Shah's fall was a direct consequence of American policy. Even the Shah was at least partially persuaded of this thesis:⁷ the Americans had concluded that the Shah could no longer serve their interests in Iran and had turned

⁷Mohammad Reza Pahlavi, *Answer to History* (Briarcliff Manor, N.Y.: Stein & Day, 1980).

pragmatically to the popular Khomeini. If the exiles were to return to power, they had to convince the Americans of the error of their ways. Thus a major effort was made by exile groups to meet not only American but Egyptian, Israeli and Iraqi authorities.⁸

The diverse exile community tended to cluster around several leaders. There was of course a major clustering around Bakhtiar. Another focused on the royal family, the crown prince and the Shah's administrator of martial law, General Gholam Ali Oveissi. Hassan Nazih, who had headed the National Iranian Oil Company after the revolution, attracted many liberal and progressive followers. Ahmad Bani Ahmad's support came mainly from Azerbaijanis.

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⁸Bakhtiar for his part admits these contacts. *The New York Times*, October 24, 1980.

TURKEY IN CRISIS

(Continued from page 31)

the disappearance, however temporary, of democracy, but it reacted to the takeover with understanding and considerable relief, because of the failure of the former regime.

Turkey's relationships with its Muslim neighbors to the south and east have been friendly, if not always very close. In recent years, Turkey has hosted an all-Islamic conference in order to emphasize its common heritage with other Muslim countries and to gain some support in its negotiations over Cyprus; it has cooperated with Iraq in the construction of a pipeline to facilitate its importation of the "black gold"; and it has encouraged the temporary migration of workers to Libya and Saudi Arabia in order to add to its foreign exchange.

On the other hand, Turkey has at times experienced friction with its neighbors to the north and immediate west. During the 1970's, this confrontation in turn led to strained relations with the United States. The greatest potential danger is the possible action of the colossus to the north. In 1945 and 1946, for example, Soviet Premier Josef Stalin made such strong claims on portions of Turkey's territory that when the Turks refused to accede, Soviet military action was expected. The Soviet Union must pass through the Bosphorus to reach the Mediterranean Sea, and Turkey has long stood in the way of Russia's perpetual search for warm water ports. Turkey has also been in a precarious position because in recent decades it has allowed the United States to maintain bases on its territory. Its vulnerability was brought home after the Soviet invasion of Afghanistan late in 1979.

¹⁷Marvine Howe, "Violence at Home and Abroad Trouble Turkey," *The New York Times*, February 17, 1980, p. 4E.

After 1976, Moscow wooed Turkey with trade and aid, and in the late 1970's the Soviet Union became Turkey's sixth largest customer, thereby passing the United States. It has also provided from 10 to 20 percent of Turkey's oil imports, accepting wheat and metals in at least partial payment. During the 1970's, the Soviet Union gave Turkey \$1 billion in credits.¹⁷ Turkey maintains that it has not cooperated with the Soviet Union any more closely than any other NATO nation. However, no other NATO country has required or obtained such assistance, and probably none has been that intent on freeing itself from United States influence during the time of the United States arms embargo, which came about as a result of Turkey's conflict with Greece over Cyprus.

Irked also by the Turkish decision to lift the ban on opium poppy cultivation (subject to government controls), the United States Congress voted to cut off military aid to Turkey, initiating the embargo in February, 1975. In the summer of that year, Demirel's government responded by closing down all 27 United States military bases and annulling a 1969 joint defense agreement. (Turkey remained in NATO, however.) By then, 40,000 Turkish troops were stationed in Cyprus, costing Turkey \$50 million a year out of a total defense budget of \$2.5 billion.

During 1976, the talks between Greece and Turkey stalled and the tensions increased because of the Turkish desire to explore the Aegean for oil. In 1977, tension continued. Minor progress toward ending the deadlock occurred in July, 1978. This modest development led the United States Congress to a change of heart. It was also becoming increasingly evident that the arms embargo was weakening Turkey's armed forces and threatening NATO's southeastern flank. Turkey's closer cooperation with the Soviet Union may well have been another factor. In any event, in September, 1978, the United States government formally lifted the embargo, which had lasted about three and one-half years. Ecevit's government responded the following month by reopening four United States military bases.

Early in 1980, Turkey and the United States signed not only a military aid agreement but an economic agreement as well, although in 1975 the United States had concluded that Turkey had reached a level of economic attainment which negated the need for further economic assistance. At the same time, Demirel took action that was compatible with the anti-Russian sentiments of most Turks when he allowed the United States to use all its former Turkish bases, including those on the Soviet border, which had been set up to gather intelligence. Events in Iran may well have influenced the United States decision, and the invasion of Afghanistan may have affected both nations.

In August, 1980, Greek Cypriot and Turkish

Cypriot negotiators met for the first time in 14 months and agreed that they would begin substantive talks in mid-September to try to settle their dispute. When the Turkish military assumed power a few days before the scheduled meeting, the Greeks tended to regard the change as a positive step. In their view, as well as in the eyes of the Pentagon, a more effective government, less responsive to the factionalism of the people, would make Turkey more inclined to negotiate the issues over Cyprus, more agreeable to Greece's reentry into NATO and less concerned about the Aegean command in the NATO system.

Domestically, Turkey's situation has improved substantially in the short run; in late 1980, Turkey has a government streamlined for action. Whereas a few months earlier the nation was at the mercy of terrorists (and probably would continue to be for some time to come), many of them are being rounded up and tried, and the number of political killings has declined markedly. Whereas earlier in the year the country suffered from hyperinflation, this has been reduced to more tolerable levels. The critical question of course concerns the ability and willingness of the caretaker government to introduce lasting reform.

Turkey needs (and the caretaker government may well provide) a new constitution that will establish a strong executive and provide for a majority government; it must establish procedures for bringing terrorists to speedier justice; and Turkey's military must be strengthened. It is considerably less clear that the caretaker government will be willing and able to act in the economic and socioeconomic realm. Although the violence assumed a momentum of its own, it was nevertheless fed by and had its roots in the problems of inflation, unemployment, and inequality of income distribution in Turkey. The decline in the inflation rate will aid in the expansion of exports and, later, imports. Yet further action is needed to direct Turkey to an export-led type of growth. General Evren has stated that he expects industry to take steps to expand exports, but what specific measures will be adopted to promote this end? (What will be done to counter the energy shortages?) One of the effects of the inward-looking industrial expansion was the creation of many new millionaires who have been able to engage in monopoly pricing.¹⁸ Export promotion may help improve income distribution. Most important, loopholes in the tax structure and income tax evasion must be reduced sharply, and the resulting revenues must be

that will help raise Turkish living standards. The new government includes help for the poor and tax reform (e.g., to relieve low-income workers) among its stated objectives, but it has not declared itself on new directions in government spending. Will the caretaker government introduce changes in this area that the next civilian government will find it difficult to reverse?

If the government which came to power in Turkey in September, 1980,¹⁹ does not act with undue haste and seeks to mitigate Turkey's economic and socioeconomic as well as its political and military difficulties, it may prove to be the most effective government Turkey has seen since the time of Atatürk. Its reaction to trauma and crisis may well constitute a major turning point in the country's long-run development.²⁰ ■

ISRAEL

(Continued from page 26)

The Israeli left espouses the surrender of all the territories, with minor border adjustments and the establishment of a Palestinian state. The center promotes territorial compromise and a direct Palestinian link to Jordan. The right believes in the Jewish right to settle throughout the West Bank and the Gaza District and advocates postponing a decision on the final status of the territories to a later date.

It is likely that the Labor alignment, with the support of the Democratic Movement and other peripheral center groups, will fail to achieve peace; and this will tend to strengthen the political right. It is not improbable that the Herut faction (the right-wing party in Begin's coalition), the National Religious party, Agudat Yisrael and the Gush Emunim could form a formidable right-wing bloc that could deny any other party or party coalition the majority needed to form a government. In the final analysis, it is possible that only the extreme right will have the voting strength needed to approve a peace settlement, leaving the sovereignty question to be determined at a later date. ■

IRAN AND IRAQ

(Continued from page 39)

And the elder statesmen, Ali Amini and General Feridoun Jam, were respected by many exiles. Apparently Oveissi and Bakhtiar were most active in terms of foreign contacts.

Rumors abounded that there were in Iraq a significant number of exiled Iranian officers—figures of 17,000 and 70,000 were bandied about.⁹ Both Bakhtiar and Oveissi were said to have visited Baghdad and Bakhtiar was said to have accepted financial

¹⁸Tonge, *op. cit.*, p. 477.

¹⁹The *New York Times* is, as usual, a good source for the post-September 11, 1980, period.

²⁰Since economists virtually never go out on a limb and are usually pessimistic whenever they do, this prediction, however guarded and qualified, is either highly courageous (if it proves to be correct) or extremely foolhardy (if it turns out to be wrong).

⁹*Iran Times*, October 3, 1980.

support from Iraq. To what extent did they convince Saddam Hossein that the Khomeini regime was on the verge of collapse? Whether in fact they simply confirmed Saddam Hossein's own impressions, they undoubtedly played some role in Saddam Hossein's miscalculation.

In the Iraqi decision to attack Iran certain elements are clear. There was genuine anger in Iraq, surely shared by Saddam Hossein, at the Shah's action in 1969 when he unilaterally readjusted the Iran-Iraq border, declaring that Iran would treat the *thalweg* of the Shatt al Arab as the boundary line between the two states in clear contravention of relevant treaties. But the Shah did more. At least on one occasion he tried to precipitate a coup in Iraq and in 1974-1975, along with American and Israeli allies, he fomented a rebellion of Iraqi Kurds against Iraq.¹⁰ He also seized three islands in the Strait of Hormuz, and Iraqis interpreted that act as a clear manifestation of Iranian expansionism. In 1975, Iraq formally accepted the Shah's de facto border settlement, but the Iraqis believed they were acting under duress. The stated objective of the Iraqi assault—a rectification of the Iranian-imposed border settlement and the seizure of the islands—was thus undoubtedly a real objective.

There is also every reason to believe that Saddam Hossein was seriously disconcerted by Khomeini Iran's constant calling on religious Iraqis to rise up and overturn the "infidel Baathist regime."¹¹ Harsh measures were taken to show Saddam Hossein's determination to root out any subversive response to these appeals, including the apparent execution of the leading Shii cleric, Ayatollah Mohammad Bakr Sadr, a close associate of Khomeini's. Humiliating Iran and thus demonstrating to any potential Khomeini followers in Iraq that Iran could not come to their defense was surely an Iraqi objective. Undoubtedly Saddam Hossein thought that an attack on Iran would be useful in his efforts to become Nasser's successor as the Arab leader.¹²

But how are the various objectives to be weighted? Some inferences can be drawn. To begin with, the favored Iranian exile scheme for a return to power involved Iranian military exiles, supported financially and logistically by the United States (and possibly by others), who would invade Iran from Iraq. Iraqi

military support would be unobtrusive. Allies of the exiles inside Iran, especially among tribal elements, would join the invading force; and, given Khomeini's fragile support, collapse would occur quickly.

Obviously Saddam Hossein also expected a quick collapse of Iranian resistance. He quickly interspersed calls on the Iranian populace to rise with calls on the Arab nation to fight the aggressive and overbearing Iranian nation. (General Oveissi's representative in the United States told Iranian exiles that Saddam Hossein would soon turn over occupied Iran to Oveissi or some combination of exiled leaders.¹³) The most obvious inference is that Saddam Hossein wanted to crush the Khomeini regime with his own troops and then select as its replacement a pliable and dependent Iranian government. If valid, this suggests that the primary Iraqi motive was indeed the enhancement of Saddam Hossein's prestige in the Arab world and hegemony in the "Persian" (to be renamed formally "Arab") Gulf.

Two points add weight to this conclusion. The border rectifications were relatively minor, although they involved wounded pride and that is never minor. Saddam Hossein's behavior since the invasion hardly suggests that of a man fearing a popular, Iranian-instigated uprising. On the contrary, Saddam Hossein apparently expected and received general public approval—even at first enthusiastic approval—for his foreign adventure.

Confronted with increasing evidence of Iraqi plans, Iranian leaders tended toward serenity. With God on their side and with the Iraqi populace ready to rise up and overturn the infidel Saddam Hossein, there was little cause for alarm. Nonetheless, even Khomeini was forced to note that the expected rebellion failed to materialize.¹⁴ This was a serious Iranian miscalculation.

But the Iraqi miscalculation was even more serious. The Iranian response demonstrated that the Khomeini support base in Iran was substantial and fully committed. Furthermore, Iranians who were disenchanted with Khomeini but who were intensely nationalist quickly rallied to their government. There was no quick collapse. And the political appeal of Oveissi and Bakhtiar was one of the war's first casualties.

Nevertheless, the war is certain to change the nature of the Iranian revolution. An inevitable consequence must surely be a trend toward the return of technocratic competence to the military and the bureaucracy, a return of secularists to Iranian political society. War heroes will probably appear and Iran may soon have new leaders whose popularity is not dependent on Khomeini. President Bani Sadr is certainly making an effort to become the symbolic figure of Iranian military resistance. Should he succeed, a fairly smooth transfer of authority to the presidency is

¹⁰*The New York Times*, January 22, 1970, section 2, p. 3; *The New York Times*, January 23, 1974, section 4, p. 4. See also the summary of the Pike Committee report on United States Central Intelligence Agency foreign policy activities, *Village Voice*, February 16, 1976, p. 83.

¹¹For appeals to rebels see Teheran radio broadcast January 23, 1980, FBIS, January 24, 1980.

¹²David B. Tinnin, "Iraq and the New Arab Alliance," *Fortune*, vol. 102, no. 9 (November 7, 1980), pp. 44-46.

¹³Personal interviews with Iranian exiled leaders.

¹⁴See Khomeini's address to the Iraqi people, October 4, 1980, FBIS, October 6, 1980.

a likely consequence. If he fails, new leaders not yet known are likely to emerge, and a shift in government authority in their direction is probable.

The disintegration and dismemberment of Iran is now less rather than more probable. As long as the war is conducted with intensity, Iran is likely to be increasingly unified. On the other hand, given a long military stalemate, serious heating oil and food shortages and the failure of leadership consolidation, disintegration is not implausible. In such an event, traditional leaders particularly ethnic and tribal leaders, would probably become dominant in some sections of the country. In the cities, the movement could be to the left and to the leftist religious Mujahaddin.

More interesting is the strangely uncrystallized position of the two superpowers. Soviet analysis and propaganda are clearly more pro-Iranian than pro-Iraqi. The recently concluded friendship treaty between Moscow and Damascus and the private Syrian expression of sympathy for Iran also suggest that the Soviet Union would view with some pleasure Saddam Hussein's isolation and fall. The United States condemns the invasion and insists that territorial gains should not be made by aggression. The American tilt toward Iran is fairly clear and, given the hostage case, paradoxical. But the Soviet response, in view of Islamabad, is also paradoxical. Uncrystallized situations in which great power interest is intense and available options are numerous can lead to rapid alignment changes. No other aspect of the Iran-Iraq conflict is more filled with ominous uncertainties.

SOVIET POLICY

(Continued from page 4)

diplomacy could accomplish became apparent both in the efforts to woo traditional American friends like Jordan and Saudi Arabia and in efforts to strengthen ties with the more radical and presumably pro-Soviet states like Syria and Iraq.

King Hussein of Jordan was indeed offended; he was left out of the negotiations at Camp David and was then expected to endorse them. He moved toward closer relations with Syria amid much talk of building up the eastern front against Israel, which would require Soviet help. He had a public reconciliation with Yasser Arafat and the PLO. He did no more than flirt with Moscow, however, and did not turn there for arms, although he often let it be known that he might do so.

A far more important Soviet target, of course, was Saudi Arabia, whose oil and financial power made it the centerpiece of the United States position in the Middle East and the Gulf. The desired first step was

to initiate diplomatic relations. The Soviet press ceased calling the Saudi regime the epitome of feudal reaction, praised its rejection of Camp David, and recalled the fact that the Soviet Union had been the first power to recognize the Saudi kingdom in the 1920's.¹³ The Saudi Foreign Minister, Prince Saud al-Faisal, spoke in a press interview of the possibility that relations with the Soviet Union could give his country a more flexible diplomacy, and Crown Prince Fahd even called it a probability, though not for the immediate future.¹⁴ One may question how seriously those statements were meant. An almost instinctive fear and distrust of communism continued to pervade the attitude of the royal family, which did not draw a clear line between the Soviet Union and the Communist movement in the Arab world. However, Soviet leaders could take comfort in the fact that the Arab-Israeli question was pushing the Saudis into greater opposition to the United States.

In dealing with Syria and Iraq, Soviet leaders tried to capitalize on their long-standing political ties and military supply relations with those countries without running afoul of Iraqi-Syrian differences. In 1979, the two states were nominally moving toward a constitutional union, to which Moscow gave its blessing. But when the enterprise broke down, amid accusations of subversion, the Soviet Union faced a familiar dilemma. The problem became worse when Iraq went to war with Iran, because Syria's sympathies were with Iran, not with its fellow Arab state.

Iraq became more assertive in foreign policy as Saddam Hussein gained confidence and ignored Soviet advice, and at home he did not hesitate to persecute and execute members of the Iraqi Communist party who stood in his way. But Iraq was an important actor in the Middle East, and Soviet leaders did not want a quarrel. As for Syria, the regime of Hafez al-Assad, weakened by opposition at home and close to war with Israel in Lebanon, felt more need for the Soviet connection and finally agreed, after years of procrastination, to conclude a security treaty with the Soviet Union on the model of the existing Soviet-Iraqi treaty.

In addition to Syria and Iraq, the PLO, Libya and the People's Democratic Republic of Yemen were among the Arab rejectionists with close Soviet ties. Yet the Soviet Union had no way to coordinate the policies of these independent nations in a common strategy attuned to its own interests. Handling each of these allies called for a bilateral bargain, the terms of which were subject to change, and each judged the bargain by how it served its own interests. Thus, although the erosion of American influence in the Arab world seemed inevitable, it was not clear how the Soviet Union could capitalize on it.

The Palestine question represents a factor of conflict at one end of the region, while the problem of

¹³Igor Beliaev, in *Literaturnaia Gazeta*, July 9, 1980 (see *Current Digest of the Soviet Press*, vol. 32, no. 28, pp. 1-3).

¹⁴*The New York Times*, June 22, 1979.

Afghanistan exerts a similar influence at the other. In time, if the Soviet military can subdue and control the Afghans and make the country a kind of Outer Mongolia, that issue may lose its intensity. But Afghan resistance continues. Meanwhile, the instability and turmoil of the Middle East may offer opportunities to the Soviet Union. The oil of any major producing country would be a prize, especially if and when Soviet oil supplies begin to decline. "Progressive forces" somewhere in the area may have to be rescued, or invitations to intervene may be irresistible. Yet the thesis often propounded in the West that the Soviet leaders are interested only in fomenting disorder as the means of extending their power is not necessarily valid. They are not enamored of situations they cannot control, and it is not enough, as Afghanistan showed, just to have a Babrak Karmal ready.

It is a question whether the Soviet leadership can find any solid political base for the extension of Soviet power in this volatile area. Of course, the Soviet Union has the military capability to move in and could not be stopped by local forces. But that is a problem of superpower relations: whether the military balance provides the necessary deterrence and whether mutual understanding of the risks of the game can have the effect of reducing them.

After Afghanistan, after Poland, there must be considerable uncertainty in Moscow about how to proceed in the Middle East. The present leadership is not without caution. Future leaders will probably also be aware of realities in that region. We cannot predict Middle East developments or Soviet decisions. But the United States and its allies can have some influence, by their power and their diplomacy, on the realities and how they are understood in Moscow. ■

GLOBAL OIL

(Continued from page 13)

rupture of diplomatic relations with Riyadh, not only because Saudi Arabia declared its support for Iraq but primarily because it accepted American AWACS aircraft as a protection against a possible attack by Iranian air power. It is uncertain at this time whether this Libyan move will have any repercussions on the movement of oil in world markets.

As for Syria, its open siding with Khomeini's Iran may well pose the question of reopening the Kirkuk-Banias pipeline once it is repaired. Past experience proves that, in its conflicts with Iraq, Syria has never been averse to using the "oil weapon"—in this case the blocking or reopening of the pipeline, according to the circumstances. Fortunately for Iraq, it was in anticipation of difficulties with Syria that its successive governments ensured a safety margin by constructing the pipeline through Turkey and the "strategic" line linking Iraq's north with its south.

OPEC's spare capacity, together with the declared willingness of Saudi Arabia and certain Gulf states to increase their production, have provided a reassurance that at least part of the gap created by the stoppage of Iraqi and Iranian production will be filled. In addition, there are indications of increasing production trends in some other areas, including Mexico, whose production rose from 1.15 million b/d in 1978 to 1.85 million b/d in 1980 and has generally followed an upward trend. A similar pattern may be noticed in the North Sea, whose two main producers, the United Kingdom and Norway, increased their production from 1 million b/d to 1.6 million b/d and from 357,000 b/d to 520,000 b/d, respectively.

In the immediate future, the Iraqi-Iranian crisis is thus not likely to cause major disruptions on a global scale, although serious temporary shortages or inconveniences may be experienced by such heavily dependent customers as Brazil, India, Turkey, Spain and France. These countries, particularly the less developed ones, will further suffer rising oil prices.

In the long run, assuming that the war will not result in great structural damage to the oil fields, crude exports should be resumed in both Iraq and Iran after the war within a period ranging from three to twelve months, depending on the degree of damage to their terminal facilities. Barring unforeseen developments, Iraq should be able to restore its production to the prewar level (i.e., 3.5 million b/d) unless Syria blocks transit through its territory, in which case Iraqi exports may be reduced by as much as 1 million b/d. As for Iran, the mismanagement of and resulting damage to its oil fields and other facilities after Khomeini's revolution had already reduced their sustainable capacity to about 3 million b/d, even before the international boycott brought down Iran's production to 1.2 million b/d. It is difficult at this stage (with no access to its oil facilities by independent experts) to predict if and when Iran will be able to restore its prerevolutionary producing capacity.

The Iraq-Iran war has once again demonstrated both the crucial role of the Middle East for world oil supplies and its vulnerability to disruption caused by actual and potential conflicts. Because there is no ready substitute for Middle East oil in world markets, major powers with a stake in the area would be well advised to strive to the best of their ability to reduce the many causes of tension in this volatile region. Prudence would also dictate developing alternate export routes, like the Jubail-Yanbu pipeline currently being constructed in Saudi Arabia. Contingency planning and actual steps to protect the Strait of Hormuz are an obvious strategic necessity. And, in addition, no measure—of an economic or legislative nature—should be neglected in promoting the development of the still untapped resources of the United States and its allies. ■

THE MONTH IN REVIEW

A Current History chronology covering the most important events of November, 1980, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Afghanistan Crisis

(See *Afghanistan*).

Arab League

Nov. 25—Leaders of the Arab League open a 3-day summit meeting in Amman, Jordan; Syria, Libya, Algeria, Lebanon, Southern Yemen and the PLO boycott the meeting.

Nov. 27—Ending its 3-day meeting, the Arab League calls for an end to the Iran-Iraq war and restates its position on the Camp David accords and the PLO.

East-West Conference on Human Rights and Cooperation

Nov. 12—The public session of the 35-nation East-West Conference on Human Rights and Cooperation opens in Madrid.

Nov. 14—The U.S. and the Soviet Union agree on a compromise agenda for the Madrid conference, allowing 5 weeks for discussion of compliance with the 1975 Helsinki accords. In the last week, proposals for furthering détente will be discussed.

International Monetary Fund

(See *Pakistan*)

Iran Crisis

Nov. 2—In Teheran, Parliament endorses the 4 conditions set by Ayatollah Ruhollah Khomeini for the release of the hostages; the U.S. must promise not to interfere in Iranian affairs; all Iranian assets frozen at the time of the embassy takeover must be released; all financial claims against Iran must be cancelled, including those of private U.S. citizens; and the assets of the late Shah must be returned to Iran.

Nov. 3—The Islamic militants who seized the U.S. embassy a year ago agree to turn responsibility for the hostages over to Iran's government.

The government asks the Algerian government to be the intermediary in negotiating with the U.S. for the hostages' release.

Nov. 4—Iranian Prime Minister Mohammad Ali Rajai asks the U.S. for a speedy response to Iran's 4 demands for the hostages' release. The U.S. State Department says the conditions will receive "careful analysis and careful study."

Nov. 10—U.S. Deputy Secretary of State Warren M. Christopher arrives in Algiers to deliver the U.S. response to Iranian demands for the release of the hostages; the U.S. response is not made public.

Nov. 19—In the first public response to the U.S. reply, Speaker of Parliament Hojatolislam Hashemi Rafsanjani says the U.S. has agreed "in principle" to Iran's conditions but that the hostages will not be released until the conditions are actually met.

Nov. 22—Iranian Prime Minister Rajai asks the U.S. to respond "positively" or "negatively" to Iran's 4 conditions for the release of the hostages.

Nov. 27—In Teheran, a spokesman for the militants says

that the U.S. hostages have been turned over to the Iranian government and are no longer being held at the American embassy.

Nov. 28—In Teheran, government officials say the government does not have charge of the hostages. In a telephone interview, a spokesman for the militants denies having turned the hostages over to the government.

Middle East

Nov. 6—A 23-nation Islamic Conference for Economic Cooperation including the PLO and representatives of Turkish-controlled Cyprus ends a 3-day meeting in Ankara, Turkey.

Nov. 13—Israeli Ambassador to the U.N. Arie Eilan introduces a resolution in the General Assembly calling for a Middle East conference to write a treaty banning the production or use of nuclear weapons in the Middle East.

U.S. President Jimmy Carter and Israeli Prime Minister Menachem Begin meet at the White House to discuss the Middle East peace negotiations.

North Atlantic Treaty Organization (NATO)

Nov. 1—A West German spokesman says that Germany's 1981 contribution to NATO will be reduced considerably.

Nov. 4—U.S. Ambassador to West Germany Walter J. Stoessel asks the Bonn government for additional financial support for some 250,000 American troops in West Germany.

Organization of African Unity (OAU)

Nov. 29—Hissène Habré, Chad Defense Minister and leader of Chad's rebel forces, refuses to agree to a truce proposed by the OAU; Chad President Goukouni Oueddei has signed the truce.

Organization of American States (OAS)

Nov. 27—The Organization of American States (OAS) ends its 10th General Assembly in Washington, D.C., with a resolution that cites Argentina, Haiti, Chile, El Salvador, Paraguay and Uruguay for alleged violations of human rights but stops short of condemning them.

Organization of Petroleum Exporting Countries (OPEC)

Nov. 9—Meeting in Algiers, Algeria, Libya, Nigeria and Gabon agree to set aside 4 percent of their total oil output of about 5 million barrels a day for developing African countries who are not being supplied with oil because of the Iran-Iraq war.

Persian Gulf Crisis

(See also *U.N.*)

Nov. 2—In Baghdad, the Iraqi General Command announces that Iranian Minister of Petroleum Mohammad Jawad Baqir Tunguyan was captured October 31.

Fighting continues between Iranian and Iraqi forces around Abadan, Iran's major oil refinery.

Nov. 5—Iranian leader Ayatollah Ruhollah Khomeini says

Iran will not compromise with the Iraqis; in an address to the Iraqi Parliament yesterday, Iraqi President Saddam Hussein offered to withdraw Iraqi forces if Iran would recognize Iraq's territorial claims.

Nov. 11—U.N. Secretary General Kurt Waldheim appoints Olof Palme, former Prime Minister of Sweden, as mediator in the Gulf crisis.

Iraqi Deputy Prime Minister Tariq Aziz arrives in Moscow to secure additional arms.

Nov. 13—In Baghdad, following 3 days of meetings with Iranian officials, Cuban Foreign Minister Isidoro Malmierca Peoli meets with Iraqi President Hussein and Deputy Prime Minister Aziz; Malmierca is a representative of some third world nations seeking to end the war.

Nov. 20—Iraq resumes oil shipments through the pipeline that runs across Turkey to the Mediterranean.

Nov. 22—Pars, the Iranian press agency, accuses Iraq of using Soviet-made ground-to-ground missiles against civilians in Gilan and Ahwaz.

Olof Palme, U.N. mediator, arrives in Baghdad from Teheran to confer with Iraqi Foreign Minister Saadun Hamadi.

Nov. 30—Spokesman for Iraq and Iran confirm that there has been heavy fighting at Mina al Bakr, Iraq's oil export terminal in the Persian Gulf.

United Nations

(See also *Middle East; Persian Gulf Crisis; Namibia*)

Nov. 20—With an 111-22 vote (with 12 abstentions), the General Assembly asks the Soviet Union to withdraw its forces from Afghanistan; 9 countries refused to attend the session.

AFGHANISTAN

(See also *Intl, U.N.*)

Nov. 5—Prime Minister Babrak Karmal returns to Kabul; he spent 3 months in Moscow receiving medical attention.

AUSTRALIA

Nov. 2—Prime Minister Malcolm Fraser shuffles his Cabinet; Foreign Minister Andrew S. Peacock becomes Industrial Relations Minister and Anthony A. Street becomes Foreign Minister.

Nov. 9—The High Court issues an injunction against blocking publication of a book that details Australia's military alliance with the U.S.

CHAD

(See *Intl, OAU*)

CHINA

Nov. 15—The New China News Agency publishes sections of the charges brought by the government against the Gang of Four; they are accused of persecuting more than 30,000 people during the Cultural Revolution.

Nov. 17—In additional sections of the indictment, Lin Biao, former Defense Minister and once heir apparent to Chairman Mao Zedong, is accused of plotting to assassinate Mao in 1971.

Nov. 18—In a final section of the indictment, 3 of the members of the Gang of Four are accused of planning a rebellion in Shanghai shortly after Mao's death in 1976.

Nov. 20—In Beijing, the Gang of Four—Mao Zedong's widow, Jiang Qing, former Mayor of Shanghai Zhang Chunqiao, national newspaper director Yao Wenyan, and former deputy chairman of the party, Wang Hongwen—five senior generals under Lin Biao, and others, go on trial. Excerpts of the proceedings are televised.

CUBA

(See *U.S., Administration*)

ECUADOR

Nov. 3—In response to the government's seizure of U.S. fishing boats off the coast, the U.S. State Department bans all tuna imports from Ecuador.

EGYPT

Nov. 10—In Cairo, President Anwar Sadat holds the opening session of his newly formed League of Islamic and Arab Peoples; Egypt and Sudanese and Afghan emigrés are the only official members.

Nov. 11—In Cairo, members of the U.S. Rapid Deployment Force arrive for 10 to 12 days of joint exercises with Egyptian forces.

EL SALVADOR

Nov. 27—In San Salvador, a right-wing guerrilla group kidnaps more than 20 leaders of the left-wing Democratic Revolutionary Front, a coalition of 18 leftist organizations; 6 of the leftists leaders are murdered and 2 are reported missing.

Nov. 29—11 people are killed in sporadic fighting between leftists and rightists in San Salvador.

GAMBIA

Nov. 1—In Banjul, Senegalese troops arrive at President Dawda Jawara's request to protect Gambia from Libya's threat to invade.

GERMANY, EAST

Nov. 26—It is reported that the government has suspended all rail traffic between East Germany and Poland.

GERMANY, WEST

(See also *Intl, NATO; U.S., Foreign Policy*)

Nov. 15—Pope John Paul II arrives in Cologne for a 5-day visit to West Germany.

GUINEA-BISSAU

Nov. 15—The state radio announces that President Luis de Almeida Cabral has been deposed and is under house arrest; led by Prime Minister João Bernardo Vieira, the coup was apparently the result of Cabral's plans to unify Guinea-Bissau with Cape Verde Island.

Nov. 22—Bernardo Vieira claims that 500 political prisoners were executed during Cabral's 6-year term.

HAITI

(See also *U.S., Administration*)

Nov. 29—The government arrests journalists and political figures who are critical of the government, including former Minister of Justice Lamartinière Honorat and leader of the Christian Democratic party Sylvio Claude.

IRAN

(See also *Intl, Iran Crisis, Persian Gulf Crisis*)

Nov. 7—Former Foreign Minister Sadegh Ghotbzadeh is arrested for criticizing the Islamic party on state television.

Nov. 10—Following an order by Ayatollah Ruhollah Khomeini, Ghotbzadeh is released from prison.

Nov. 15—The government lifts restrictions on foreign journalists in Iran who wish to cover the Iran-Iraq war.

ISRAEL(See also *Intl, Middle East*)

Nov. 18—In the West Bank, Israeli soldiers fire on demonstrating Palestinian students who are protesting the closure of the Bir Zeit University; 11 students are wounded.

Nov. 19—Prime Minister Menachem Begin cuts short his visit to the United States to return to Jerusalem.

Begin survives a no-confidence vote in the Knesset by a vote of 57 to 54.

Nov. 23—Former Defense Minister Ezer Weizman is ousted from Begin's Herut party because he voted against the government last week; with Weizman's ouster, the party no longer holds a majority in Parliament.

ITALY

Nov. 25—The death toll from the November 23 earthquake in the Potenza-Naples area of southern Italy rises to more than 3,000.

Nov. 26—On nationwide television, President Sandro Pertini deplores the inefficient rescue of the earthquake victims.

Nov. 27—Prime Minister Arnaldo Forlani rejects the resignation of Interior Minister Virginio Rognoni; Rognoni submitted his resignation because of criticism of his handling of the earthquake catastrophe.

Nov. 30—The official search for earthquake survivors is abandoned; 250,000 have been left homeless.

IVORY COAST

Nov. 9—Nationwide parliamentary elections are held for the first time since the country became independent in 1960. Last month President Félix Houphouët-Boigny was re-elected unopposed for another 5-year term.

JAMAICA

Nov. 1—Edward P.G. Seaga is sworn in as Prime Minister; he succeeds democratic socialist Michael N. Manley.

JORDAN(See also *Intl, Arab League*)

Nov. 27—King Hussein warns Syria that any Syrian attack on Jordan will be met with and repulsed by Jordanian forces. Over the last few days, 20,000 Syrian troops have massed along Jordan's borders.

Nov. 29—It is reported that 30,000 Syrian troops are massed along the Jordanian-Syrian border. Syria has repeatedly accused Jordan of providing sanctuary for the Muslim Brotherhood, which is trying to overthrow the Syrian government.

KAMPUCHEA (CAMBODIA)

Nov. 29—The exiled Deputy Prime Minister of the Pol Pot regime, Ieng Sary, says that the exiled regime has abandoned the socialist revolution.

KOREA, SOUTH

Nov. 3—In Seoul, the interim legislature bans all politicians regarded by the government as corrupt or anti-government.

A military court upholds the death sentence against opposition leader Kim Dae Jung.

Nov. 12—The government presents a list of 811 politicians who are not to engage in political activity for 7 years.

Nov. 28—Police arrest more than 1,000 people whom they consider "antisocial"; they ban 67 publications.

Nov. 29—In Tokyo, the All-Japan Council of Transport Workers Unions refuses to handle any goods bound for South Korea, to protest the death sentence of opposition leader Kim Dae Jung.

LIBYA(See *Gambia*)**NAMIBIA (SOUTH-WEST AFRICA)**

Nov. 14—It is reported from Windhoek that in elections for the 18-member white Legislative Assembly held November 11, the right-wing National party defeated the Republican party.

Nov. 24—In the U.N., the South African delegation agrees to a conditional cease-fire in Namibia beginning in March, 1981.

NICARAGUA

Nov. 11—It is reported that non-Marxist members of the Council of State are protesting the government's prohibition of a November 9 Socialist Christian political rally and the November 10 Sandinist attack on an independent political party headquarters.

Nov. 17—Jorge Salazar, president of the Nicaraguan Coffee Growers' Association, is shot and killed by government security forces; he was accused of transporting arms in a plot to overthrow the government.

PAKISTAN

Nov. 24—The International Monetary Fund approves a \$1.7-billion loan to Pakistan, the largest loan ever granted by the IMF to a developing nation.

POLAND(See also *U.S., Foreign Policy*)

Nov. 10—In Warsaw, the Supreme Court rules that unions may register without mentioning the Communist party's leading role in society.

Nov. 14—In Warsaw, Solidarity leader Lech Walesa meets with Communist party leader Stanislaw Kania.

Minister of Food Industry Jan Zaleski announces that, in order to meet domestic demand, Poland will no longer export food; last year Poland exported \$1.4-billion worth of meat.

Nov. 17—Because of growing unrest Czesochowa Governor Miroslaw Wierzbicki submits his resignation to Warsaw officials.

Nov. 20—In Warsaw, police raid the offices of Solidarity and take a stolen classified government document on government policy toward dissidents.

Nov. 22—In a far-reaching political shakeup, 18 first secretaries of the 49 provinces are dismissed; among the 18 are secretaries in Warsaw, Posnan, Katowice and Lodz.

Nov. 24—In Warsaw and Gdansk, railway workers go on strike against suburban commuter lines for 2 hours to protest the government's distribution of the wage increases agreed to last summer.

Nov. 25—In Gdansk and Warsaw, railway workers stage a 4-hour walkout on commuter lines; Transport Minister Mieczyslaw Zajfryd arrives in Wroclaw for talks with union officials.

In Warsaw, workers in 3 more plants of the Ursus tractor complex join yesterday's strikers to demand the release of a worker and a printer held by the general prosecutor's office in connection with the stolen government document.

Nov. 26—Railway workers return to work.

Nov. 27—In Warsaw, government officials agree to meet with union representatives to discuss the role of the chief prosecutor's office and the operations of the secret police. The government releases the two men being held on treason charges.

SOUTH AFRICA

(See also *Namibia*)

Nov. 11—In Johannesburg, Education Minister Ferdinand Hartzenberg announces that on January 1, 1981, mandatory education for black children will be introduced in phases.

SYRIA

(See *Intl, Arab League; Jordan*)

TANZANIA

Nov. 5—President Julius K. Nyerere is sworn in as President for his final 5-year term; he received 93 percent of the "yes" votes in the October election.

TRINIDAD AND TOBAGO

Nov. 25—Returns from yesterday's parliamentary election in Tobago give the Democratic Action Congress 8 of the 12 seats; the ruling People's National Movement led by Prime Minister Eric Williams wins 4 seats. The Democratic Action Congress favors autonomy for Tobago.

TURKEY

Nov. 1—For the first time since the coup, General Haydar Saltik, a military spokesman, outlines his government's plan to return to a "normal democratic political life"; no date is given.

Nov. 12—In Ankara, the prosecutor's office issues arrest orders for more than 200 political extremists as part of a nationwide curtailment of extremist activities.

U.S.S.R.

(See *Intl, East-West Conference; U.S., Foreign Policy*)

UNITED KINGDOM

Great Britain

Nov. 10—Michael Foot is elected leader of the Labor party; he defeated former Chancellor of the Exchequer Denis Healey by 139 to 129 votes.

Nov. 20—Queen Elizabeth II addresses the opening session of Parliament.

UNITED STATES

Administration

Nov. 4—President Jimmy Carter loses to Republican challenger Ronald Reagan. (See *Politics*.)

Nov. 6—Former FBI officials W. Mark Felt and Edward S. Miller are convicted in U.S. district court in Washington, D.C., of conspiring to violate the constitutional rights of American citizens; the officials authorized illegal break-ins of homes without search warrants in 1972-1973.

Nov. 12—The White House announces that chairman of the Council of Economic Advisers Charles L. Schultze will succeed Alfred E. Kahn as chairman of the Council on Wage and Price Stability.

At a White House news conference, President Jimmy Carter says that after the inauguration of Ronald Reagan as President January 20, 1981, he will retire to Plains, Georgia, write his memoirs and "live the life of a former President."

Nov. 17—The Department of Transportation, the Justice Department and the United States Railway Association

announce in Washington, D.C., that they have agreed to pay the Penn Central Corporation \$2.1 billion for the assets of the bankrupt Penn Central Railroad; if approved by a 3-judge special court established in 1973 by Congress, this will be the largest claims settlement ever made by the government.

Director of the Census Bureau Victor P. Barabba says that the 1980 census total will be 226 million, "with any adjustment a small one."

Nov. 20—President-elect Ronald Reagan and his wife Nancy are received at the White House by President Jimmy Carter and his wife Rosalynn.

Nov. 25—The White House releases a report of the Nuclear Safety Oversight Committee that criticizes the Nuclear Regulatory Commission and the nuclear power industry for their attitude of "business as usual" about safety issues.

Nov. 26—In Washington, D.C., the Cuban-Haitian Task Force says that it will not send any Cubans or Haitians to Fort Allen in Puerto Rico.

In Philadelphia, U.S. district court Judge John P. Fullam dismisses the jury convictions of former Philadelphia officials George Swartz and Harry Jannotti in an Abscam case because of "governmental overreaching amounting to a violation of due process of law."

Nov. 27—The Nuclear Regulatory Commission orders the Niagara Mohawk Power Corporation to bar a company official from "any involvement in nuclear matters" because he allegedly lied about the installation of safety equipment at the company's Nine Mile Point nuclear facility. The company has 25 days to appeal the order.

Civil Rights

Nov. 25—The Equal Employment Opportunity Commission announces that the Ford Motor Company will pay \$23 million and provide other benefits (including cash and jobs) to minorities and women, to settle a discrimination case brought by the commission against the company.

Economy

Nov. 7—The Labor Department reports that its producer price index rose 0.8 percent in October, a 10.6 percent yearly rate.

The Labor Department reports that the nation's unemployment rate rose slightly to 7.6 percent in October.

Nov. 14—The Federal Reserve Board raises its discount rate to 12 percent, with a 2 percentage point surcharge to large banks who are frequent borrowers.

Nov. 20—For the 1st time in four years, the Dow Jones industrial average finishes above 1,000; it reaches 1,000.17 at the close of trading.

Nov. 25—The Labor Department reports that the consumer price index rose 1 percent in October.

Nov. 26—Most large banks raise their prime rate to 17.75 percent, the 4th raise so far this month.

Nov. 28—The Commerce Department reports that the U.S. balance of trade showed a \$1.8-billion deficit in October.

Foreign Policy

(See also *Intl, East-West Conference, Iran Crisis; Labor and Industry*)

Nov. 1—The U.S. and the Marshall Islands and the Federated States of Micronesia initial agreements that will give the island groups self-government.

Nov. 6—In a news conference televised from Los Angeles, President-elect Ronald Reagan says that "the policies of aggression of the Soviet Union" must be "part of

discussions and negotiations" on arms control and other issues.

Nov. 13—In San Francisco, U.S. district court Judge Robert F. Peckham signs an order staying for a period of 90 days proceedings in some 20 lawsuits involving frozen Iranian assets.

Administration officials report that Secretary of State Edmund S. Muskie has suggested that the U.S. raise to \$900 million the amount of grain to be sold to Poland on U.S.-backed credits in 1980-1981; in September, \$670 million in credits was made available to Poland.

Nov. 14—The Treasury Department bans the import of some steel products made by Creusôt-Loire, a French concern that recently signed an agreement with the Soviet Union to build an electric steel plant at Novolipetsk; the U.S. Armco and Japan's Nippon Steel Company have cancelled their contracts for the plant.

Nov. 15—U.S.-Japanese trade negotiations end in Tokyo.

Nov. 17—The U.S. and the Republic of Palau initial the accord under which Palau will manage its own internal and foreign affairs under a "free association" with the U.S.

Nov. 20—West German Chancellor Helmut Schmidt confers in Washington, D.C., with President Carter and, later, with President-elect Ronald Reagan.

Nov. 29—Senator Charles H. Percy (R., Ill.) who will probably be chairman of the Senate Foreign Relations Committee in the 97th Congress, leaves Moscow after informal talks with Soviet leaders, including Soviet President Leonid Brezhnev.

Labor and Industry

Nov. 10—In a 3-2 vote, the International Trade Commission of the United States rejects a petition by the Ford Motor Company and the United Auto Workers union to limit imports of Japanese-made cars.

Legislation

Nov. 1—The special Senate subcommittee investigating Billy Carter's relations with Libya releases a Justice Department report claiming that President Jimmy Carter did not fully cooperate in the probe of his brother's actions, that Attorney General Benjamin R. Civiletti dissembled, and that Billy Carter "withheld information."

Nov. 12—In a voice vote, the House passes the Alaskan Wilderness Act, which will protect 104 million acres of Alaskan land as wilderness, wild life preserves and national conservation areas; the Senate approved the bill in August.

Nov. 20—The Senate and House approve a \$632.4 billion budget for fiscal 1981 with a \$27.4 billion deficit.

Military

Nov. 24—Defense Department officials report that serious difficulties attributed mainly to "poor workmanship" will seriously delay the commissioning of the *Ohio*, the first of a new class of giant submarines built to carry Trident missiles.

Nov. 29—Army chief of staff General Edward C. Meyer says an expenditure of \$40 billion over a 5-year period is needed to make the Army "flexible enough to respond to challenges around the world."

Politics

Nov. 4—In the presidential election, Republican presidential candidate Ronald W. Reagan and vice presidential candidate George Bush win 44 states, with 489 electoral

votes; President Jimmy Carter wins only 6 states and the District of Columbia, with 49 electoral votes. Ronald Reagan will become the 40th President of the U.S., with George Bush as Vice President. Independent candidate John Anderson receives 7 percent of the total vote. Some 52.4 percent of the 160,491,000 eligible voters vote.

Republicans gain control of the Senate, 53 to 47; Democrats retain control of the House, 243 to 192, although they lose some seats.

Republicans win 7 governorships, a gain of 4.

Nov. 6—At a Los Angeles press conference, President-elect Ronald W. Reagan names William J. Casey, former Securities and Exchange Commission (SEC) head, as chairman of his Transition Executive Committee; Edwin Meese 3d is director.

Nov. 14—President-elect Reagan announces that his White House chief of staff will be James A. Baker 3d; Edwin Meese 3d will be counselor to the President with Cabinet rank.

Science and Space

Nov. 12—After traveling 1.3 billion miles in the last 3 years, the Voyager I spacecraft passes within 77,000 miles of Saturn; the spacecraft's cameras relay to earth spectacular pictures of Saturn's moons, rings and surface.

Supreme Court

Nov. 3—The Supreme Court lifts the temporary stay by Justice William Brennan of a lower court decision that permitted the transfer of Cuban and Haitian refugees to Fort Allen military base in Puerto Rico. (See *Administration*, November 26.)

The Court lets stand without comment a ruling of the U.S. Court of Appeals for the Second Circuit that denied a motion of dismissal of the indictment on bribery and conspiracy charges resulting in the conviction on August 30 of Representative Michael J. Myers (D., Pa.) as a result of the Abscam investigation.

Nov. 17—In a 5-4 unsigned decision, the Court rules that a Kentucky state law requiring the posting of the Ten Commandments in every public school classroom is a violation of the First Amendment.

In the first fully signed opinion of the current term, *Dennis v Sparks*, the Court rules unanimously that individuals who conspire with a judge to violate an individual's constitutional rights can be sued for damages although the judge is protected by judicial immunity from suit.

UPPER VOLTA

Nov. 25—President Sangoule Lamizana is overthrown in a bloodless coup d'état by Colonel Saye Zerbo, leader of the Military Committee of Recovery for National Progress.

URUGUAY

Nov. 30—A nationwide constitutional referendum is held; public discussion of the proposal was forbidden by the military government.

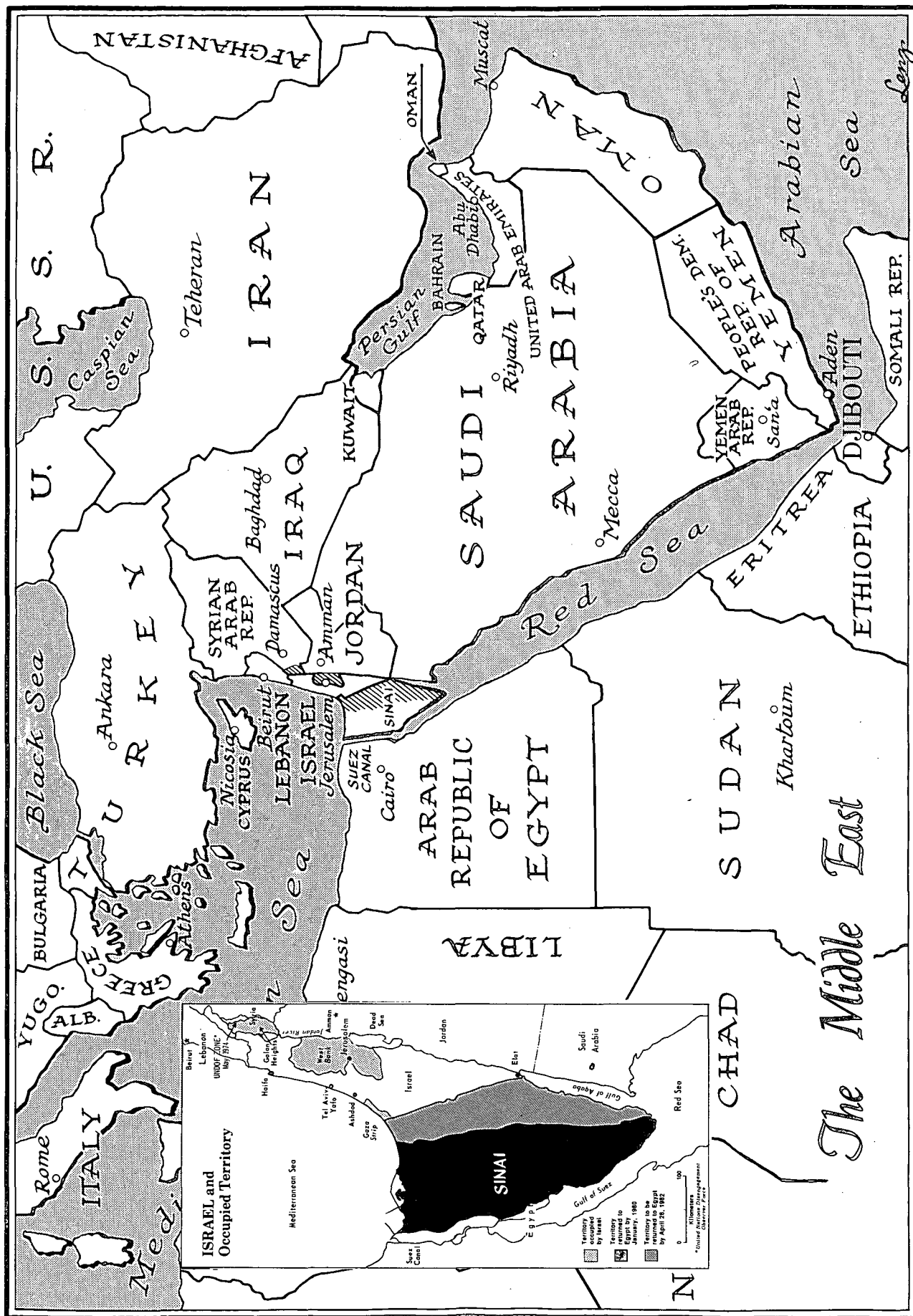
VATICAN

(See *West Germany*)

ZIMBABWE

Nov. 10—In Bulawayo, fighting breaks out between supporters loyal to Prime Minister Robert Mugabe and those loyal to Joshua Nkomo; 43 people are killed.

Nov. 22—Local elections are held for local authority councils.



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